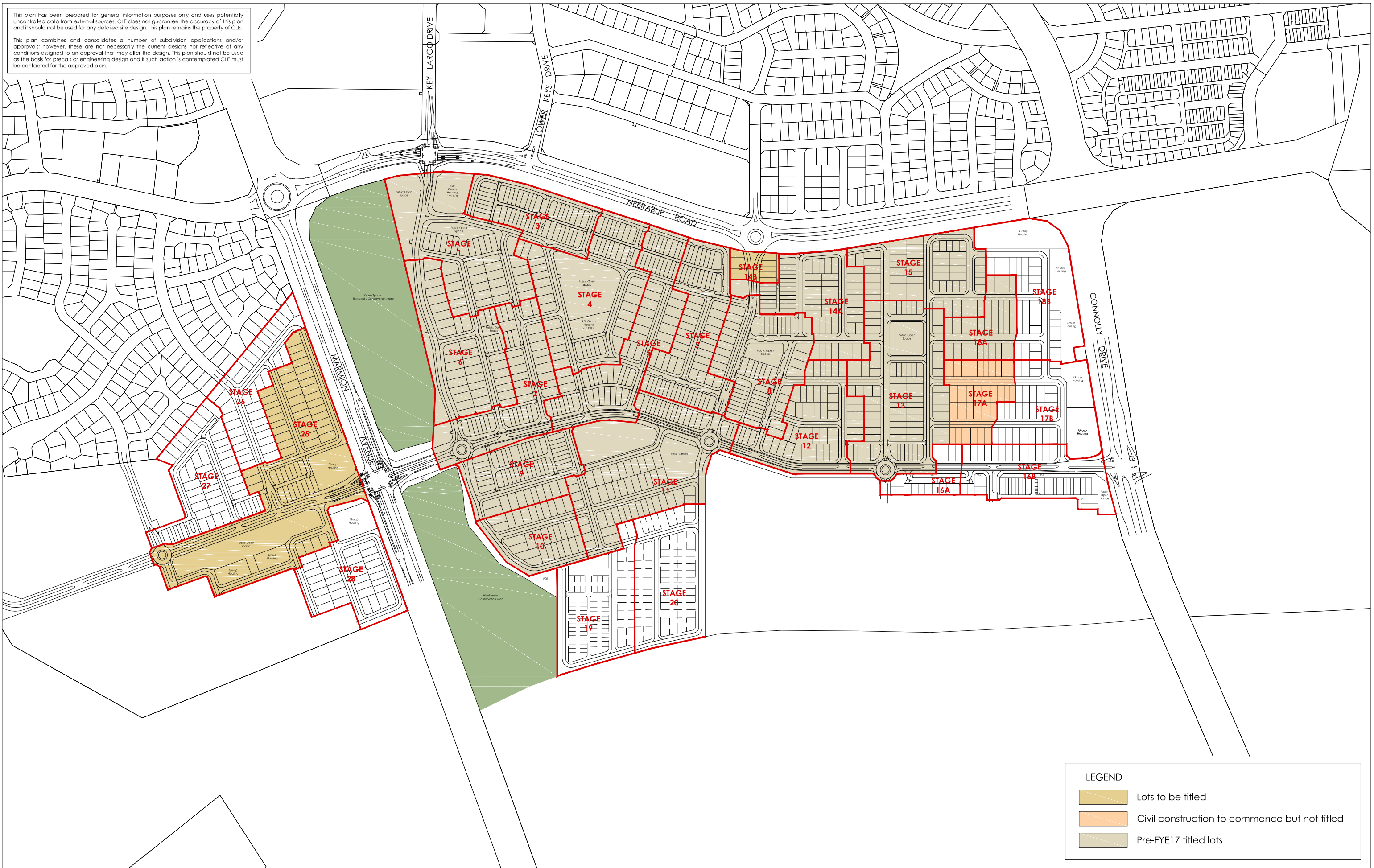


# Appendix 9.1

This plan has been prepared for general information purposes only and uses potentially uncontrolled data from external sources. CLE does not guarantee the accuracy of this plan and it should not be used for any detailed site design. This plan remains the property of CLE.

This plan combines and consolidates a number of subdivision applications and/or approvals; however, these are not necessarily the current designs nor reflective of any conditions assigned to an approval that may alter the design. This plan should not be used as the basis for pre-cuts or engineering design and if such action is contemplated CLE must be contacted for the approved plan.



**LEGEND**

- Lots to be titled
- Civil construction to commence but not titled
- Pre-FYE17 titled lots

0 100 200 300 400 500m

**CATALINA FYE 2017 OPERATIONS**

Catalina Estate, Tamala Park  
City of Wanneroo



plan no: 2228-351C-01

scale: 1:6,000 @ A3

date: 26.05.2016



This plan is current at the revised date & subject to approval, survey & engineering detail. This plan remains the property of CLE © www.cleplan.com.au

Appendix page 2

Landscape Works	FYE 2017 Budget	Detail Design	CoW / Statutory Approvals	Construction Start	Construction End	Comments
Biodiversity Conservation Area (South) Verges	\$ 94,000.00	Complete	Revised Federal Approval May 15 Council Approval Apr 15	Aug-16	Sep-16	Complete
Biodiversity Conservation Area (South)	\$ 331,325.00	Complete	Revised Federal Approval May 15 Council Approval Apr 15	Dec-16	Dec-16	Quotations sought in November 2016 for path construction to commencement in December 2016
Biodiversity Conservation Area (North)	\$ 116,147.00	Complete	Revised Federal Approval May 15 Council Approval Feb 15	Dec-16	Dec-16	Weed and rubbish removal to commence December 2016
Stage 9 Landscaping	\$ 95,700.00	Complete	Council Approval is not required for Lot Verges	Dec-16	Feb-17	Quotations received . Contract to be awarded in December 2016
Stage 11 Landscaping	\$ 95,180.00	Complete	Council Approval is not required for Lot Verges	Dec-16	Mar-17	Quotations received Contract to be awarded in December 2016
Aviator Boulevard Entry Statement	\$ 116,667.00	Complete	Approval anticipated Oct -16	Jan-17	Mar-17	Quotations received. Contract to be awarded in January
Stage 14B Landscaping	\$ 268,000.00	Complete	Council Approval Aug 16	Jan-17	May-17	Landscape construction pending completion of Neerabup Road road works.
Marmion Ave Eastern Verge	\$ 236,025.00	Complete	Council Approval Nov - 16	Dec-16	May-17	Quotations Received October. Appointment of contractor and start date pending CoW approval.
Catalina Central Street Tree Improvements	\$ 500,000.00	Complete	Approval anticipated Nov -16	Jan-17	Jun-17	Quotations received in October. Appointment of contractor and start date pending CoW approval.
Stage 12 Landscaping	\$ 999,950.00	Complete	Council Approval - Apr -15	Jan-17	Mar-17	Stage 12 medium density verges to commence Jan 17.
Stage 13 Landscaping	\$ 395,764.00	Complete	Council Approval Mar - 15	Apr-17	Aug-17	Subject to selection of Landscape Contractor in December 2016
Western Cell - Long Beach Promenade Entry Stateme	\$ 300,000.00	Complete	Approval anticipated Dec-16	Apr-17	Aug-17	Subject to selection of Landscape Contractor in December 2016
Western Cell - Long Beach Promenade GreenLink	\$ 225,000.00	Complete	Approval anticipated Dec-16	Apr-17	Aug-17	Subject to selection of Landscape Contractor in December 2016
Marmion Ave Verge West	\$ 409,500.00	Complete	Approval anticipated Dec-16	Apr-17	Aug-17	Works deferred until completion of waste water pressure main
Western Cell Public Open Space	\$ 1,642,000.00	Complete	Approval anticipated Dec-16	Apr-17	Aug-17	Subject to selection of Landscape Contractor in December 2016
Western Cell - Long Beach Promenade Medians	\$ 37,217.00	Complete	Approval anticipated Dec-16	Apr-17	Aug-17	Subject to selection of Landscape Contractor in December 2016
Western Cell - Medium Density Lot Verges	\$ 4,140.00	Complete	Approval anticipated Dec-16	Apr-17	Aug-17	Subject to selection of Landscape Contractor in December 2016
Western Cell - Rio Marina Median and Roundabout	\$ 37,500.00	Complete	Approval anticipated Dec-16	Apr-17	Aug-17	Subject to selection of Landscape Contractor in December 2016
Stage 6 McAllister Boulevard Verge	\$ 148,560.00	Complete	Approval anticipated Feb 17	Feb-17	May-17	Installation of Stairs to BCA North.
Stage 15 Landscaping	\$ 315,000.00	Complete	Council Approval Aug 16	Jan-17	May-17	Landscape construction pending completion of Neerabup Road road works.
Marmion Ave Median	\$ 103,500.00	Mar-17	Anticipated Approval Apr -17	Jul-17	Nov-17	Works to be undertaken after completion of waste water pressure main.
<b>TOTAL BUDGET</b>	<b>\$ 6,471,175.00</b>					

# Appendix 9.2



**TAMALA PARK REGIONAL COUNCIL**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 September 2016**

**TABLE OF CONTENTS**

Statement of Financial Activity	2
Notes to and Forming Part of the Statement	3 to 9

**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2016 TO 30 September 2016**

<b>Operating</b>	<b>NOTE</b>	<b>30 September 2016 Actual \$</b>	<b>30 September 2016 Y-T-D Budget \$</b>	<b>2016/17 Adopted Budget \$</b>	<b>Variances Budget to Actual Y-T-D %</b>
<b>Revenues</b>	1,2				
Interest Earnings		334,986	287,748	959,170	16.42%
Other Revenue		3,621	0	1,985	0.00%
		338,607	287,748	961,155	17.67%
<b>Expenses</b>	1,2				
Employee Costs		(136,834)	(173,028)	(752,311)	(20.92%)
Materials and Contracts Other		(55,339)	(110,883)	(492,112)	(50.09%)
Depreciation		0	(4,835)	(21,024)	(100.00%)
Utilities		0	(4,140)	(18,000)	(100.00%)
Insurance		(6,663)	(17,756)	(17,756)	(62.47%)
Other Expenditure		(38,511)	(43,980)	(177,517)	(12.44%)
		(237,347)	(354,622)	(1,478,720)	(33.07%)
<b>Adjustments for Non-Cash (Revenue) and Expenditure</b>					
Depreciation on Assets		0	4,836	21,024	(100.00%)
<b>Capital Revenue and (Expenditure)</b>					
Plant and Equipment	3	(66,266)	(65,016)	(90,016)	0.00%
Proceeds on disposal		42,727	42,727	42,727	0.00%
<b>LESS MEMBERS EQUITY</b>					
Payment for Rates Equivalent		0	0	0	0.00%
<b>Development of Land for Resale</b>					
Income Sale of Lots - Subdivision		4,456,748	7,695,181	26,283,529	(42.08%)
Income Sale of Apartments		0	3,617,000	4,794,250	0.00%
Development Costs		(2,752,965)	(9,409,706)	(32,546,354)	(70.74%)
Contribution Refund		0	0	(327,714)	0.00%
Profit Distributions		0	0	(11,000,000)	0.00%
Contribution Returned		0	0	0	0.00%
<b>Change in Contributed Equity</b>	6	1,703,783	1,902,475	(12,796,289)	(10.44%)
Net Current Assets July 1 B/Fwd	7	47,348,075	47,348,075	47,348,075	0.00%
Net Current Assets Year to Date	7	49,129,579	45,549,223	34,007,956	

This statement is to be read in conjunction with the accompanying notes.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 September 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

**(a) Basis of Accounting**

This statement is a special purpose financial report, prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

The Council does not hold any monies in trust.

**(c) Rounding Off Figures**

All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(e) Goods and Services Tax**

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 September 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Trade and Other Receivables**

Trade Receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade receivables is viewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is object evidence that they will not be collectible.

**(h) Inventories**

**General**

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

**Land Held for Resale**

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Effective from 1 July 2012, the Local Government (Financial Management) regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The regulations allow for the phasing in of fair value in relation to fixed assets over three years as follows:  
Plant and Equipment by June 30 2013  
Plant and Equipment, Land and Buildings and Infrastructure by 30 June 2014, and  
All Assets by 30 June 2015.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 September 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Computer Equipment	4 years
Printers, Photocopiers and Scanners	5 years
Furniture and Equipment	4 to 10 years
Floor coverings	8 years
Phones and Faxes	6 to 7 years
Plant and Equipment	5 to 15 years
Infrastructure	30 to 50 years

**(k) Impairment**

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2014.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

**(l) Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 September 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

**(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

**(ii) Annual Leave and Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**(n) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

***Borrowing Costs***

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 September 2016**

**(o) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

**(p) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.



**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 September 2016**

**2. STATEMENT OF OBJECTIVE**

The Regional Council has a specific regional purpose which is:

- a) To undertake, in accordance with the objectives, the rezoning, subdivision, development marketing and sale of land comprising the developable portion of Lot 118 Mindarie (now Lot 9504); and
- b) To carry out and do all other acts and things which are reasonably necessary for the bringing into effect of the matters referred to in paragraph a).

The objectives of the Regional Council are:

- 1. To develop and improve the value of the land;
- 2. To maximise, and with prudent risk parameters, the financial return to the Participants;
- 3. To balance economic, social and environmental issues; and
- 4. To produce a quality development demonstrating the best urban design and development practice.

**3. ACQUISITION OF ASSETS**

The following assets are budgeted to be acquired during the year:

	<b>31 August 2016 Actual \$</b>	<b>Adopted 2015/16 Budget \$</b>
<b><u>By Program</u></b>		
<b>Other Property and Services</b>		
General Office fitout	0	3,000
Office Equipment	1,250	22,000
Motor Vehicle	65,016	65,016
	<b>66,266</b>	<b>90,016</b>
<b><u>By Class</u></b>		
Land and Buildings	0	3,000
Furniture and Equipment	1250	22,000
Plant and Equipment	65,016	65,016
	<b>66,266</b>	<b>90,016</b>

**4. DISPOSALS OF ASSETS**

The following asset is budgeted to be disposed during the year :

<b><u>Plant and Equipment</u></b>		
Cost	49,260	49,260
Accumulated Depreciation	(6,533)	(8,135)
Profit/(Loss)	0	1,602
<b>Proceeds</b>	<b>42,727</b>	<b>42,727</b>

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 September 2016**

**5. INFORMATION ON BORROWINGS**

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2016-17 financial year.

**6. CONTRIBUTED EQUITY**

	<b>30 September 2016 Actual \$</b>	<b>30 June 2016 Actual \$</b>
Town of Victoria Park	4,252,134	4,101,714
City of Perth	4,252,134	4,101,714
Town of Cambridge	4,252,134	4,101,714
City of Joondalup	8,504,269	8,203,428
City of Wanneroo	8,504,269	8,203,428
Town of Vincent	4,252,134	4,101,714
City of Stirling	17,008,538	16,406,857
<b>TOTAL</b>	<b>51,025,612</b>	<b>49,220,569</b>
<b>Total Movement in equity</b>	<b>1,805,043</b>	

Movement in Contributed Equity Represented by:

	<b>Development Expenses 30 September 2016 \$</b>	<b>Land Sales 30 September 2016 \$</b>	<b>Return of Contribution 30 September 2016 \$</b>	<b>Rates Equivalent 30 September 2016 \$</b>
Town of Victoria Park	(229,414)	371,396	0	0
City of Perth	(229,414)	371,396	0	0
Town of Cambridge	(229,414)	371,396	0	0
City of Joondalup	(458,827)	742,791	0	0
City of Wanneroo	(458,827)	742,791	0	0
Town of Vincent	(229,414)	371,396	0	0
City of Stirling	(917,655)	1,485,582	0	0
	<b>(2,752,965)</b>	<b>4,456,748</b>	<b>0</b>	<b>0</b>
Members Contributed Equity Movements	1,703,783			
TPRC Net Result	101,260			
<b>Total Movement in equity</b>	<b>1,805,043</b>			

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 September 2016**

**7. NET CURRENT ASSETS**

Composition of Estimated Net Current Asset Position	30 September 2016 Actual \$	Brought Forward 1-Jul \$
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	48,883,241	47,138,174
Receivables	428,071	392,957
Settlement Bonds	3,600	11,550
	<b>49,314,912</b>	<b>47,542,681</b>
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	(185,333)	(194,606)
<b>NET CURRENT ASSET POSITION</b>	<b>49,129,579</b>	<b>47,348,075</b>
<b>NET CURRENT ASSET POSITION</b>	<b>49,129,579</b>	<b>47,348,075</b>

**8. RATING INFORMATION**

The Regional Council does not levy rates on property.

**9. TRUST FUNDS**

The Regional Council does not hold any funds in trust on behalf of third parties.

**TAMALA PARK REGIONAL COUNCIL**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER 2016**

**TABLE OF CONTENTS**

Statement of Financial Activity	2
Notes to and Forming Part of the Statement	3 to 9

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STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER 2016**

<b>Operating</b>	<b>NOTE</b>	<b>31 October 2016 Actual \$</b>	<b>31 October 2016 Y-T-D Budget \$</b>	<b>2016/17 Adopted Budget \$</b>	<b>Variances Budget to Actual Y-T-D %</b>
<b>Revenues</b>	1,2				
Interest Earnings		452,128	383,667	959,170	17.84%
Other Revenue		3,621	0	1,985	0.00%
		455,749	383,667	961,155	18.79%
<b>Expenses</b>	1,2				
Employee Costs		(183,881)	(248,263)	(752,311)	(25.93%)
Materials and Contracts Other		(62,007)	(159,097)	(492,112)	(61.03%)
Depreciation		0	(6,938)	(21,024)	(100.00%)
Utilities		0	(5,940)	(18,000)	(100.00%)
Insurance		(10,227)	(17,756)	(17,756)	(42.40%)
Other Expenditure		(38,494)	(44,879)	(177,517)	(14.23%)
		(294,609)	(482,873)	(1,478,720)	(38.99%)
<b>Adjustments for Non-Cash (Revenue) and Expenditure</b>					
Depreciation on Assets		0	6,938	21,024	(100.00%)
<b>Capital Revenue and (Expenditure)</b>					
Plant and Equipment	3	(66,266)	(65,016)	(90,016)	0.00%
Proceeds on disposal		42,727	42,727	42,727	0.00%
<b>LESS MEMBERS EQUITY</b>					
Payment for Rates Equivalent		0	0	0	0.00%
<b>Development of Land for Resale</b>					
Income Sale of Lots - Subdivision		7,286,949	9,067,269	26,283,529	(19.63%)
Income Sale of Apartments		0	3,617,000	4,794,250	0.00%
Development Costs		(4,644,049)	(12,603,333)	(32,546,354)	(63.15%)
Contribution Refund		0	0	(327,714)	0.00%
Profit Distributions		0	0	(11,000,000)	0.00%
Contribution Returned		0	0	0	0.00%
<b>Change in Contributed Equity</b>	6	2,642,900	80,936	(12,796,289)	3165.42%
Net Current Assets July 1 B/Fwd	7	47,348,075	47,348,075	47,348,075	0.00%
Net Current Assets Year to Date	7	50,128,576	43,697,454	34,007,956	

This statement is to be read in conjunction with the accompanying notes.

**TAMALA PARK REGIONAL COUNCIL**  
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**FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER 2016**

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The Council does not hold any monies in trust.

**(c) Rounding Off Figures**

All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Trade and Other Receivables**

Trade Receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade receivables is viewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is object evidence that they will not be collectible.

**(h) Inventories**

***General***

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

***Land Held for Resale***

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Effective from 1 July 2012, the Local Government (Financial Management) regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The regulations allow for the phasing in of fair value in relation to fixed assets over three years as follows:  
Plant and Equipment by June 30 2013  
Plant and Equipment, Land and Buildings and Infrastructure by 30 June 2014, and  
All Assets by 30 June 2015.



**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Computer Equipment	4 years
Printers, Photocopiers and Scanners	5 years
Furniture and Equipment	4 to 10 years
Floor coverings	8 years
Phones and Faxes	6 to 7 years
Plant and Equipment	5 to 15 years
Infrastructure	30 to 50 years

**(k) Impairment**

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2014.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

**(l) Trade and Other Payables**

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

**(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

**(ii) Annual Leave and Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**(n) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

***Borrowing Costs***

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER 2016**

**(o) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

**(p) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER 2016**

**2. STATEMENT OF OBJECTIVE**

The Regional Council has a specific regional purpose which is:

- a) To undertake, in accordance with the objectives, the rezoning, subdivision, development marketing and sale of land comprising the developable portion of Lot 118 Mindarie (now Lot 9504); and
- b) To carry out and do all other acts and things which are reasonably necessary for the bringing into effect of the matters referred to in paragraph a).

The objectives of the Regional Council are:

- 1. To develop and improve the value of the land;
- 2. To maximise, and with prudent risk parameters, the financial return to the Participants;
- 3. To balance economic, social and environmental issues; and
- 4. To produce a quality development demonstrating the best urban design and development practice.

**3. ACQUISITION OF ASSETS**

The following assets are budgeted to be acquired during the year:

	<b>31 October 2016 Actual \$</b>	<b>Adopted 2015/16 Budget \$</b>
<b><u>By Program</u></b>		
<b>Other Property and Services</b>		
General Office fitout	0	3,000
Office Equipment	1,250	22,000
Motor Vehicle	65,016	65,016
	<b>66,266</b>	<b>90,016</b>
<b><u>By Class</u></b>		
Land and Buildings	0	3,000
Furniture and Equipment	1250	22,000
Plant and Equipment	65,016	65,016
	<b>66,266</b>	<b>90,016</b>

**4. DISPOSALS OF ASSETS**

The following asset is budgeted to be disposed during the year :

<b><u>Plant and Equipment</u></b>		
Cost	49,260	49,260
Accumulated Depreciation	(6,533)	(8,135)
Profit/(Loss)	0	1,602
<b>Proceeds</b>	<b>42,727</b>	<b>42,727</b>

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER 2016**

**5. INFORMATION ON BORROWINGS**

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2016-17 financial year.

**6. CONTRIBUTED EQUITY**

	<b>31 October 2016 Actual \$</b>	<b>30 June 2016 Actual \$</b>
Town of Victoria Park	4,335,384	4,101,714
City of Perth	4,335,384	4,101,714
Town of Cambridge	4,335,384	4,101,714
City of Joondalup	8,670,768	8,203,428
City of Wanneroo	8,670,768	8,203,428
Town of Vincent	4,335,384	4,101,714
City of Stirling	17,341,537	16,406,857
<b>TOTAL</b>	<b>52,024,609</b>	<b>49,220,569</b>
<b>Total Movement in equity</b>	<b>2,804,040</b>	

Movement in Contributed Equity Represented by:

	<b>Development Expenses 31 October 2016 \$</b>	<b>Land Sales 31 October 2016 \$</b>	<b>Return of Contribution 31 October 2016 \$</b>	<b>Rates Equivalent 31 October 2016 \$</b>
Town of Victoria Park	(387,004)	607,246	0	0
City of Perth	(387,004)	607,246	0	0
Town of Cambridge	(387,004)	607,246	0	0
City of Joondalup	(774,008)	1,214,491	0	0
City of Wanneroo	(774,008)	1,214,491	0	0
Town of Vincent	(387,004)	607,246	0	0
City of Stirling	(1,548,017)	2,428,983	0	0
	<b>(4,644,049)</b>	<b>7,286,949</b>	<b>0</b>	<b>0</b>
Members Contributed Equity Movements	2,642,900			
TPRC Net Result	161,140			
<b>Total Movement in equity</b>	<b>2,804,040</b>			

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 OCTOBER 2016**

**7. NET CURRENT ASSETS**

Composition of Estimated Net Current Asset Position	31 October 2016 Actual \$	Brought Forward 1-Jul \$
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	49,858,417	47,138,174
Receivables	468,591	392,957
Settlement Bonds	4,800	11,550
	<b>50,331,808</b>	<b>47,542,681</b>
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	(203,232)	(194,606)
<b>NET CURRENT ASSET POSITION</b>	<b>50,128,576</b>	<b>47,348,075</b>
<b>NET CURRENT ASSET POSITION</b>	<b>50,128,576</b>	<b>47,348,075</b>

**8. RATING INFORMATION**

The Regional Council does not levy rates on property.

**9. TRUST FUNDS**

The Regional Council does not hold any funds in trust on behalf of third parties.

# Appendix 9.3



**Tamala Park Regional Council**  
**Summary Payment List**  
**September 2016**

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
01/09/2016		Employee costs	Wages for period 18/08/16 - 31/08/16	-10,791.70
01/09/2016	ET-4158	Australian Super	Superannuation for period 18/08/16 - 31/08/16	-584.66
01/09/2016	ET-4159	National Australia Bank	Superannuation for period 18/08/16 - 31/08/16	-1,346.15
01/09/2016		Action Couriers	Courier charges for period 10/08/16 - 21/08/16	-33.37
01/09/2016		Bray, Leanne	Stage 4 Public Art - payment 3	-26,250.00
01/09/2016		Carat Australia Media Services	Inv 434193, 434194 & 415054	-10,603.93
01/09/2016		City of Vincent - Supplier	GST May - June 2016	-3,567.00
01/09/2016		Emerge Associates	Catalina Beach POS - Part 1 & 2 (May 2016)	-2,200.00
01/09/2016		LD Total	Inv 76177, 76937 & 76963	-10,435.87
01/09/2016		McLeods Barristers & Solicitors	Legal services (Neerabup Road Duplication Agreement)	-559.71
01/09/2016		Moore Stephens	Interim account for compliation of Annual Financial Report 2015/16	-7,222.60
01/09/2016		Notman, Mary	Solar Panel Rebate (Lot 644)	-2,000.00
01/09/2016		R J Vincent & Co	Stage 11 Local Centre hydromulching	-2,060.76
01/09/2016		Summit Homes Group	Display Home Rebate (Lot 181)	-32,000.00
01/09/2016		Treacy Fencing	Misc. invoices	-18,210.50
01/09/2016		Ventura Home Group	Landscaping Rebate (Lot 109)	-1,500.00
01/09/2016		Wood, Danielle	Solar Panel Rebate (Lot 799)	-2,000.00
01/09/2016	ET-4162	Telstra	Mobile phones (CEO & PC) - charges to 13 Aug 2016	-165.65
01/09/2016		Westpac Bank	Bank charges Cheque AC - September 2015	-5.00
01/09/2016	ET-4172	Grant, Aaron & Nicole	Lot 171 (14th instalment over a 5 year period)	-2,887.50
07/09/2016	ET-4173	Swan, Jeremy & Courtney	Lot 174 (14th instalment over a 5 year period)	-3,850.00
14/09/2016	ET-4167	Westpac Bank	Payment of credit card charges (CEO & EA) - August 2016	-1,536.69
15/09/2016		Employee costs	Wages for period 01/09/16 - 14/09/16	-10,791.70
15/09/2016	ET-4163	Australian Super	Superannuation for period 01/09/16 - 14/09/16	-584.66

15/09/2016	ET-4164	National Australia Bank	Superannuation for period 01/09/16 - 14/09/16	-1,346.15
15/09/2016		Action Couriers	Courier charges for period 23/08/16 - 04/09/16	-33.37
15/09/2016		Arora, Varun & Heena	Solar Panel Rebate (Lot 739)	-2,000.00
15/09/2016		Aveling Homes Pty Ltd	Dispaly Home Rebate (Lot 107)	-36,000.00
15/09/2016		Blueprint Homes	Early Construction Rebate (Lot 802)	-8,000.00
15/09/2016		Butler Settineri	Final fee for 2016 audit	-1,760.00
15/09/2016		City of Stirling	GST June - July 2016 & rent	-15,638.19
15/09/2016		Content Living	Display Home Rebate (Lot 178)	-32,400.00
15/09/2016		Cossill & Webley	Inv 16903, 16985 & 17222	-18,507.50
15/09/2016		Darren Long Consulting	Preparation of Asset Management Plan 2016	-605.00
			Microsoft Windows Server & Microsoft SQL Server	
15/09/2016		Data#3	Software	-4,207.74
15/09/2016		Delron Cleaning	Cleaning of Sales Office (August 2016)	-495.00
15/09/2016		Dominic Carbone & Associates	Consultancy fees (August 2016)	-2,376.00
15/09/2016		Emerge Associates	Inv 14821, 14938 & 15271	-9,221.30
15/09/2016		Homebuyers Centre	Inv 62861 & 63727	-16,000.00
15/09/2016		Kyocera Mita	Printing costs for period 29/07/16 - 08/08/16	-64.21
15/09/2016		Marketforce	Inv 9006 - 9009	-1,162.67
			Retainer for telephone advices for period 1 October	
15/09/2016		McLeods Barristers & Solicitors	2016 - 30 September 2017	-4,400.00
15/09/2016		My Homes WA Pty Ltd	Display Home Rebate (Lot 158)	-23,100.00
15/09/2016		Neverfail	Water bottles x 3	-40.85
15/09/2016		New Great Cleaning Service	Cleaning of TPRC offices (August 2016)	-143.00
15/09/2016		Rare Pty Ltd	Catalina Central Display Village - Press Updates	-1,506.65
15/09/2016		Town of Victoria Park - Supplier	GST May - July 2016	-5,072.00
15/09/2016		Treacy Fencing	Inv 649992 - 649994	-4,706.68
15/09/2016	ET-4165	Australian Taxation Office	IAS for August 2016	-13,952.00
15/09/2016	ET-4166	Treacy Fencing	Fencing (Lot 800)	-593.01
29/09/2016		Employee costs	Wages for period 15/09/16 - 28/09/16	-10,791.70
29/09/2016	ET-4168	Australian Super	Superannuation for period 15/09/16 - 28/09/16	-584.66
29/09/2016	ET-4169	National Australia Bank	Superannuation for period 15/09/16 - 28/09/16	-1,346.15
29/09/2016	ET-4170	Telstra	Mobile phones (CEO & PC) - charges to 13 Oct 2016	-194.07

29/09/2016	ET-4171	Alinta Energy	Sales Office - gas charges for period 13/06/16 - 07/09/16	-287.00
29/09/2016		Action Couriers	Courier charges for period 13/09/16 - 18/09/16	-33.37
29/09/2016		Burgess Rawson	Inv 43874, 43885 & 44017	-550.00
29/09/2016		Carat Australia Media Services	Stage 15A press ads (July 2015)	-4,629.14
29/09/2016		Cossill & Webley	Inv 17426 - 17433	-38,374.45
29/09/2016		Coterra Environment	Foreshore Access (August 2016)	-484.00
29/09/2016		Emerge Associates	Misc. invoices	-48,411.00
29/09/2016		hyd20 Hydrology	Catalina Beach UWMP (August 2016)	-511.50
			Development of new Business Classification Scheme	
29/09/2016		Information Enterprises Australia Pty (BCS)		-3,300.00
29/09/2016		Isla, R.J. & Du Alo, H.L.	Solar Panel Rebate (Lot 711)	-2,000.00
29/09/2016		LD Total	Inv 77456 - 77458 & 77628	-45,597.01
29/09/2016		McMullen Nolan Group	Stage 14B Basic & Additional Items (July 2016)	-8,305.00
			Compilation of financial statements (July & August 2016)	
29/09/2016		Moore Stephens		-4,125.00
29/09/2016		Officeworks	Office supplies	-254.53
29/09/2016		Pan, Zhe	Solar Panel Rebate (Lot 700)	-2,000.00
29/09/2016		R J Vincent & Co	Misc. invoices	-400,878.38
29/09/2016		Signs & Lines	Hoarding sign extensions	-3,716.22
29/09/2016		Treacy Fencing	Inv 650007, 650045 & 650211	-10,338.02
29/09/2016		Whelans	Catalina Beach bore survey	-429.00
30/09/2016	CON-68	City of Joondalup - Supplier	GST July & August 2016	-6,785.05
<b>Total</b>				<b>-948,444.02</b>

**Tamala Park Regional Council**  
**Summary Payment List**  
**October 2016**

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
03/10/2016	CH-200507	City of Wanneroo	Display Village 3 Development Application	-316.16
04/10/2016	CON-69	City of Wanneroo	GST owing August 2016	-3,775.35
05/10/2016	CH-200508	Water Corporation	Stage 14B Infrastructure Contributions	-51,632.50
12/10/2016	ET-4179	Westpac Bank	Payment of credit card charges (CEO & EA) - October 2016	-744.25
13/10/2016		Employee costs	Wages for period 29/09/16 - 12/10/16	-10,815.70
13/10/2016	ET-4174	Australian Super	Superannuation for period 29/09/16 - 12/10/16	-584.66
13/10/2016	ET-4175	National Australia Bank	Superannuation for period 29/09/16 - 12/10/16	-1,346.15
13/10/2016	ET-4176	Australian Taxation Office	BAS for quarter July - September 2016	-12,977.00
13/10/2016		Action Couriers	Courier charges for period 19/09/16 - 02/10/16	-62.89
13/10/2016		Adshead, George & Ann	Solar Panel Rebate (Lot 796)	-2,000.00
13/10/2016		Burgess Rawson	GST valuations (September 2016)	-110.00
13/10/2016		Chappell Lambert Everett	Agreed Planning Fee (July & August 2016)	-38,500.00
13/10/2016		City of Stirling	Inv 5784 & 5971	-3,848.74
13/10/2016		Connell, Grant	Solar Panel Rebate (Lot 716)	-2,000.00
13/10/2016		Cossill & Webley	Inv 17489 - 17496	-16,085.56
13/10/2016		Docushred	Security bin (September 2016)	-51.70
13/10/2016		Emerge Associates	Misc. invoices	-29,235.80
13/10/2016		Honores, E. & Calderon, L.	Solar Panel Rebate (Lot 714)	-2,000.00
13/10/2016		Kyocera Mita	Printing costs for period 31/08/16 - 12/09/16	-70.05
13/10/2016		LD Total	Misc. invoices	-65,835.00
13/10/2016		Main Roads WA	Bus underpass (August 2016)	-368,948.47
13/10/2016		Marketforce	Inv 9677 - 9683	-1,726.15
13/10/2016		McLeods Barristers & Solicitors	Legal services (Stage 18A)	-269.68
13/10/2016		McMullen Nolan Group	Stage 14B basic items (October 2016)	-1,716.00
13/10/2016		Moore Stephens	Annual Financial Report 2016 (Final Account)	-997.70
13/10/2016		Neverfail	Bottled water x 2	-27.65
13/10/2016		New Great Cleaning Service	Cleaning of TPRC offices (September 2016)	-143.00
13/10/2016		R J Vincent & Co	Inv 5706, 5712 & 5716	-2,640.00

13/10/2016		Treacy Fencing	Misc. invoices	-34,829.41
13/10/2016	ET-4177	Water Corporation	Sales Office water charges for period 20/07/16 - 20/09/16	-478.85
13/10/2016		Bray, Leanne	Stage 4 Public Art - Payment Trigger 3	-26,250.00
13/10/2016		City of Wanneroo	2016/17 Rates (Lots 295, 860 & 889)	-2,473.85
13/10/2016		Emerge Associates	Inv 14542, 14825A, 15106 & 12596	-15,961.00
13/10/2016		Phase3 Landscape Construction	McAllister Entry landscaping	-5,206.30
13/10/2016	ET-4178	Synergy	Power charges for period 04/08/16 - 29/09/16	-1,036.00
19/10/2016	CH-200509	City of Wanneroo	Catalina Central - Detailed Area Plan Amendment	-400.00
25/10/2016	CON-70	City of Wanneroo	GST Sept 2016	-1,174.57
25/10/2016	CON-71	Town of Cambridge	GST Aug - Sept 2016	-2,474.95
27/10/2016		Employee costs	Wages for period 13/10/16 - 26/10/16	-10,815.69
27/10/2016	ET-4180	Synergy	Stage 11 POS power for period 04/08/16 - 29/09/16	-642.20
27/10/2016	ET-4181	Telstra	Mobile phones (CEO & PC) - charges to 13 Nov 2016	-148.95
27/10/2016		Action Couriers	Courier charges for period 03/10/16 - 16/10/16	-33.37
27/10/2016		Aitken, L.	Reimbursement for meeting lunch	-52.00
27/10/2016		APG Homes	Display Home Rebate (Lot 112)	-34,800.00
27/10/2016		Bray, Leanne	Public Art Commission - Trigger 5	-22,500.00
27/10/2016		Burgess Rawson	Inv 42934, 44178 & 4179	-1,760.00
27/10/2016		Carat Australia Media Services	Inv 443945, 443946 & 446857	-5,268.18
27/10/2016		CBRE Valuations Pty Limited	Valuation of Tamala Park Project (Catalina Estate)	-19,800.00
27/10/2016		Chappell Lambert Everett	Agreed planning fee (September 2016)	-19,250.00
27/10/2016		Clean City Group	Stage 14 graffiti removal	-385.00
27/10/2016		Cossill & Webley	Stage 16A EPR Study (March 2016)	-1,331.00
27/10/2016		Dominic Carbone & Assoc.	Consultancy services (September 2016)	-2,574.00
27/10/2016		Emerge Associates	Inv 15274, 15491 & 15494	-11,176.55
27/10/2016		Grace, Anthony & Brigid	Solar Panel Rebate (Lot 810)	-2,000.00
27/10/2016		Green, B. & Manzoney, C.	Solar Panel Rebate (Lot 734)	-2,000.00
27/10/2016		Homebuyers Centre	Waste Rebate (Lot 731)	-990.00
27/10/2016		Houseandland.com.au	10 month subscription fee	-935.00
27/10/2016		hyd20 Hydrology	Catalina Beach UWMP - Claim 8	-511.50
27/10/2016		Jones, Angela	Solar Panel Rebate (Lot 673)	-2,000.00
27/10/2016		LD Total	Misc. invoices	-70,186.58

27/10/2016		LGIS Liability	Liability insurance for period 30/06/16 - 30/06/17 (Instalment 2)	-1,457.28
27/10/2016		LGIS Property	Property insurance for period 30/06/16 - 30/06/17 (Instalment 2)	-2,462.77
27/10/2016		LGIS Workcare	Workers compensation insurance for period 30/06/16 - 30/06/17 (Instalment 2)	-6,050.00
27/10/2016		Main Roads WA	Bus Underpass (August 2016)	-84,089.43
27/10/2016		McMullen Nolan Group	Stage 14A survey (4 lots)	-4,228.40
27/10/2016		Neverfail	Bottled water x 2	-26.40
27/10/2016		R J Vincent & Co	Inv 5724, 5752, 5753 & 5755	-976,347.11
27/10/2016		Treacy Fencing	Inv 650368, 650369, 650395 & 650396	-9,057.51
27/10/2016	ET-4182	Australian Super	Superannuation for period 13/10/16 - 26/10/16	-584.66
27/10/2016	ET-4183	National Australia Bank	Superannuation for period 13/10/16 - 26/10/16	-1,346.15
31/10/2016	CON-72	City of Perth		-3,392.52
<b>Total</b>				<b><u><u>-2,006,947.34</u></u></b>

**Tamala Park Regional Council**  
**Cheque Detail**  
**September 2016 - October 2016**

<b>Type</b>	<b>Num</b>	<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
Bill Pmt -Cheque	CH-200507	3/10/2016	City of Wanneroo	Display Village 3 Development Application	-316.16
Bill Pmt -Cheque	CH-200508	5/10/2016	Water Corporation	Stage 14B Infrastructure Contributions	-51,632.50
Bill Pmt -Cheque	CH-200509	19/10/2016	City of Wanneroo	Catalina Central - Detailed Area Plan Amendment	<u>-400.00</u>
<b>Total</b>					<b><u><u>-52,348.66</u></u></b>



# Appendix 9.4

22 November 2016

Mr Tony Arias  
Chief Executive Officer  
Tamala Park Regional Council  
PO Box 655  
INNALOO WA 6918

Dear Tony

### Catalina Financial Report for October 2016

Please find attached the Catalina Financial Report for October 2016. This report has been prepared on a cash basis and compares actual income and expenditure to the June 2016 approved budget for the period 1 October 2016 to 31 October 2016. Please note the June 2016 budget includes actuals to 31 March 2016, therefore variances against budget for the period April to June 2016 are included in the PTD variances as stated below.

Residential settlement revenue for the financial year to 31 October 2016 is \$7.3m which is \$1.8m under the approved 'June 2016' budget with 8 less residential settlements for the year. Project to date settlement revenue to 31 October 2016 is \$179k favourable to budget with the same settlements to date.

Sales for FYE2017 are \$5.5m unfavourable to budget due to 17 less residential lot sales for the year. Project to date residential sales to 31 October 2016 is \$3.9m unfavourable to budget with 12 less sales. YTD Special sites income is \$3.6m behind budget due to timing of Stg 11 local centre and the two Stg 18B special sites. Sale of the local centre site for \$1.4m (\$400k above budget) is progressing with the Heads of Agreement currently being prepared. The tender for lot 996 closes on 30 November and lot 995 can be purchased in conjunction with lot 996, but is not for individual sale at this time.

Overall FYE2017 expenditure is \$7.2m under budget per the approved 'June 2016' budget, with \$3.4m spent compared to a budget of \$10.6m. The main areas of variance are summarised below:

- Lot Production \$2.9m under budget
  - Earthworks Stages 25-27 \$1.2m under budget due to deferred payments
  - Stage 14B \$0.6m under budget due to deferred payments
  - Stage 25 \$1.1m under budget due to deferred payments
- Infrastructure \$1.4m under budget
  - Aviator Blvd Extension Stage 25 \$1.5m under budget due to deferred works
- Landscaping \$1.6m under budget
  - Stage 12 Landscaping \$354k under budget due to deferred works
  - Stage 13 Landscaping \$185k under budget due to deferred works
  - Stage 10 BCA \$161k under budget due to deferred payments
  - Stage 6 Landscaping \$149k under budget due to deferred works/payments
  - Aviator Blvd Entry Stmt \$110k under budget due to deferred works
  - Western Cell Entry Statement & Greenlink \$150k under budget due to deferred works
- P&L expenditure - \$1.2m under budget
  - Marketing \$164k under budget with \$57k spent against a YTD budget of \$221k
  - Rates & Taxes \$405k under budget due to refund of lot 9018 rates paid in March 2016 and deferred payments
  - Contingency \$459k not required to date.

Please refer to the attached Cashflow Analysis for a more detailed analysis of actual to budget variances. Should you have any queries on this report, please do not hesitate to contact me.

Yours faithfully



**Drevek Bisnath**  
Financial Controller - Projects

**CATALINA  
FINANCE REPORT  
OCTOBER 2016**

**1.0 Management Accounts**

**1.1 KEY STATISTICS**

**1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS**

	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Prior Years	806	806	770	765	746	738	56,000,000	56,000,000
Jul-2016	-	-	8	9	7	14	-	-
Aug-2016	-	-	10	6	7	9	-	-
Sep-2016	-	-	8	6	2	6	-	-
<b>Sep-16 Qtr</b>	-	-	<b>26</b>	<b>21</b>	<b>16</b>	<b>29</b>	-	-
Oct-2016	10	10	1	23	10	5	-	-
Nov-2016	-	-	-	10	-	7	-	-
Dec-2016	-	-	-	7	-	10	-	5,000,000
<b>Dec-16 Qtr</b>	<b>10</b>	<b>10</b>	<b>1</b>	<b>40</b>	<b>10</b>	<b>22</b>	-	<b>5,000,000</b>
Jan-2017	-	-	-	2	-	10	-	-
Feb-2017	-	58	-	9	-	5	-	-
Mar-2017	-	-	-	8	-	20	-	-
<b>Mar-17 Qtr</b>	-	<b>58</b>	-	<b>19</b>	-	<b>35</b>	-	-
Apr-2017	-	-	-	13	-	4	-	-
May-2017	-	-	-	13	-	2	-	-
Jun-2017	-	-	-	13	-	1	-	6,000,000
<b>Jun-17 Qtr</b>	-	-	-	<b>39</b>	-	<b>7</b>	-	<b>6,000,000</b>
<b>PTD</b>	<b>816</b>	<b>816</b>	<b>797</b>	<b>809</b>	<b>772</b>	<b>772</b>	<b>56,000,000</b>	<b>56,000,000</b>
<b>Full 2016/17 Year</b>	<b>10</b>	<b>68</b>	<b>27</b>	<b>119</b>	<b>26</b>	<b>93</b>	-	<b>11,000,000</b>
<b>2017/18</b>		<b>130</b>		<b>122</b>		<b>122</b>		<b>4,000,000</b>
<b>2018/19</b>		<b>148</b>		<b>145</b>		<b>129</b>		<b>15,000,000</b>

- 10 residential lots settled in October comprising:

	<u>Lots</u>
Stage 14A	1
Stage 15	6
Stage 18A	3

- Stage 14B achieved titles on 28 October comprising of 10 residential lots.

**1.2 Sales & Settlements**

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
<b>Residential</b>						
- Sales #	1	23	27	44	797	809
- Sales \$	229,000	7,411,409	7,543,000	13,045,608	201,417,500	205,309,579
- Sales \$/lot	229,000	322,235	279,370	296,491	252,720	253,782
- Settlements #	10	5	26	34	772	772
- Settlements \$	2,782,000	1,372,088	7,270,000	9,067,270	194,207,500	194,028,608
- Settlements \$/lot	278,200	274,418	279,615	266,684	251,564	251,332
<b>Special Sites</b>						
- Sales #	-	-	-	3	2	5
- Sales \$	-	-	-	3,617,000	1,895,000	5,512,000
- Sales \$/lot	-	-	-	1,205,667	947,500	1,102,400
- Settlements #	-	-	-	3	2	5
- Settlements \$	-	-	-	3,617,000	1,895,000	5,512,000
- Settlements \$/lot	-	-	-	1,205,667	947,500	1,102,400
<b>Lots Under Contract</b>						
- Unsettled sales #	26			7		Titled
- Unsettled sales \$	7,210,000			19		819 <i>incl. Spec sites</i>
- Unsettled sales \$/lot	277,308					

**CATALINA  
FINANCE REPORT  
OCTOBER 2016**

**1.3 Cashflow - MTD Actuals to budget**

	<u>MTD Act</u>	<u>MTD Bgt</u>	<u>Variance</u>
Revenue	2,782,000	1,372,088	1,409,912
Margin GST	(28,634 )	(22,727 )	(5,907 )
Direct selling costs	(124,526 )	(61,686 )	(62,840 )
Interest Income	1,503	-	1,503
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(145,134 )	(132,730 )	(12,404 )
	<u>2,485,209</u>	<u>1,154,945</u>	<u>1,330,264</u>
<i>Development costs</i>			
Lot production	585,755	1,812,746	1,226,991
Landscaping	106,978	526,747	419,769
Consultants	56,466	93,218	36,751
Infrastructure	697,481	223,340	(474,142 )
Sales office building	-	-	-
Sales & marketing	6,835	55,311	48,476
Community Develop.	-	16,042	16,042
Administration	90,263	67,550	(22,713 )
Finance	3,527	180,147	176,621
	<u>1,547,305</u>	<u>2,975,100</u>	<u>1,427,795</u>
Cashflow	<u>937,904</u>	<u>(1,820,155 )</u>	<u>2,758,059</u>

- Actual & Budget margin scheme GST has been calculated under the concessional Item 4 basis for settlements.

**1.4 Cashflow - YTD Actuals to budget**

	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Variance</u>
Revenue	7,270,000	9,067,270	(1,797,270 )
Margin GST	(74,960 )	(154,545 )	79,586
Direct selling costs	(325,369 )	(566,566 )	241,197
Interest Income	2,254	-	2,254
Forfeited Deposits	-	-	-
Other Income	-	3,230,636	(3,230,636 )
Rebate Allowance	(831,556 )	(746,473 )	(85,082 )
	<u>6,040,371</u>	<u>10,830,322</u>	<u>(4,789,951 )</u>
<i>Development costs</i>			
Lot production	1,006,095	3,869,738	2,863,643
Landscaping	441,985	2,001,953	1,559,968
Consultants	156,802	246,613	89,810
Infrastructure	1,586,316	2,981,958	1,395,643
Sales office building	-	49,657	49,657
Sales & marketing	57,494	221,245	163,751
Community Develop.	-	64,167	64,167
Administration	35,156	564,720	529,563
Finance	114,250	573,486	459,236
	<u>3,398,098</u>	<u>10,573,536</u>	<u>7,175,438</u>
Cashflow	<u>2,642,272</u>	<u>256,785</u>	<u>2,385,487</u>

The YTD revenue variance comprises:

- Settlement revenue is \$1.8m unfavourable to budget on 8 less residential settlements than the budget for FY2017.

**1.5 Bonds**

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	<u>201,231</u>	<u>301,231</u>	<u>301,231</u>
	<u>201,231</u>	<u>301,231</u>	<u>301,231</u>

Bonds relate to early clearance for stage 14B, a Landscaping bond for stage 13, and a waste water pump station bond.

**CATALINA  
FINANCE REPORT  
OCTOBER 2016**

**2.0 PROFIT & LOSS**

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>Var</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Var</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
- Revenue \$ (Stlmts)	2,782,000	1,372,088	1,409,912	7,270,000	9,067,269	(1,797,269)	194,207,500	194,028,607
- Revenue \$/lot	278,200	274,418		279,615	266,684		251,564	251,332
- Selling & GST \$	264,910	142,511	(122,399)	718,220	1,522,513	804,293	20,249,889	21,111,887
- Selling & GST \$/lot	26,491	28,502		27,624	44,780		26,230	27,347
- Cost of sales \$	780,240	429,378	(350,862)	2,043,201	2,892,085	848,884	72,689,741	72,971,149
- Cost of sales \$/lot	78,024	85,876		78,585	85,061		94,158	94,522
- Gross profit \$	1,736,850	800,199	936,651	4,508,579	4,652,671	(144,092)	101,267,870	99,945,571
- Gross profit \$/lot	173,685	160,040		173,407	136,843		131,176	129,463
- Gross profit Mgn %	62.43%	58.32%		62.02%	51.31%		52.14%	51.51%
- Special Sites \$	-	-	-	-	2,165,630	(2,165,630)	1,284,073	3,449,703
- Other income \$	1,503	-	1,503	2,254	-	2,254	227,173	221,259
- Sales & Marketing \$	17,512	71,499	53,987	57,972	285,996	228,024	1,288,381	2,030,033
- Administration \$	104,793	94,223	(10,570)	88,254	351,917	263,663	2,134,421	2,495,848
- Finance \$	-	-	-	-	-	-	-	8,295
- Contingency \$	-	180,172	180,172	-	573,630	573,630	20,364	931,607
<b>- Net profit \$</b>	<b>1,616,047</b>	<b>454,305</b>	<b>1,161,742</b>	<b>4,364,608</b>	<b>5,606,758</b>	<b>(1,242,150)</b>	<b>99,335,950</b>	<b>98,150,751</b>
<b>- Net profit \$/lot</b>	<b>161,605</b>	<b>90,861</b>		<b>167,870</b>	<b>164,905</b>		<b>128,674</b>	<b>127,138</b>

- FY17 YTD Gross profit is \$144k behind budget due to unfavourable settlements of 8 lots mostly offset by favourable revenue/lot \$13k, selling costs \$17k/lot, and lot production costs \$6.5k/lot.
- Special sites is \$2.2m unfavourable due to timing of sales & settlements (Stg 11 local centre & 2 sites in stage 18B). Sale of the local centre site for \$1.4m (\$400k above budget) is progressing with the Heads of Agreement currently being prepared. The tender for lot 996 closes on 30 November and lot 995 can be purchased in conjunction with lot 996, but is not for individual sale at this time.
- FY17 YTD net profit is unfavourable against budget by \$1.2m, due to the unfavourable gross profit variance \$144k and unfavourable special site variance \$2.2m, partly offset by unused contingency \$574k, and favourable marketing and admin costs of \$492k.

**YEAR TO DATE VERSUS FULL YEAR BUDGET**

	<u>YTD Act</u>	<u>FY17 Full Year Bgt</u>	<u>Var</u>
- Revenue \$ (Stlmts)	7,270,000	26,283,530	(19,013,530)
- Revenue \$/lot	279,615	282,619	
- Selling & GST \$	718,220	3,380,978	2,662,758
- Selling & GST \$/lot	27,624	36,355	
- Cost of sales \$	2,043,201	9,395,814	7,352,613
- Cost of sales \$/lot	78,585	101,030	
- Gross profit \$	4,508,579	13,506,738	(8,998,158)
- Gross profit \$/lot	173,407	145,234	
- Gross profit Mgn %	62.02%	51.39%	
- Special Sites \$	-	2,762,735	(2,762,735)
- Other income \$	2,254	-	2,254
- Sales & Marketing \$	57,972	857,988	800,016
- Administration \$	88,254	1,075,701	987,447
- Finance \$	-	-	-
- Contingency \$	-	1,484,252	1,484,252
<b>- Net profit \$</b>	<b>4,364,608</b>	<b>12,851,532</b>	<b>(8,486,924)</b>
<b>- Net profit \$/lot</b>	<b>167,870</b>	<b>138,189</b>	



**CATALINA  
FINANCE REPORT  
OCTOBER 2016**

**2.1 GROSS PROFIT ANALYSIS**

Actual

Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)		Direct Costs/lot	Actual Gross	Actual Gross	Actual Gross
				Profit	Profit/lot		Margin %		
FY13 Stages	2012 / 2013	51,375,500	220,496	29,448,888	126,390	21,926,612	94,106	42.68%	
FY14 Stages	2013 / 2014	50,325,000	243,116	24,635,745	119,013	25,689,255	124,103	51.05%	
Stage 11	1-Oct-14	17,611,000	275,172	8,143,826	127,247	9,467,174	147,925	53.76%	
Stage 12	3-Dec-14	13,229,000	287,587	5,676,996	123,413	7,552,004	164,174	57.09%	
Stage 6B	19-Jan-15	7,452,000	310,500	2,916,524	121,522	4,535,476	188,978	60.86%	
Stage 13A	30-Mar-15	9,675,000	261,486	4,947,835	133,725	4,727,165	127,761	48.86%	
Stage 13B	11-May-15	10,369,000	280,243	4,124,644	111,477	6,244,356	168,766	60.22%	
Stage 14A	4-Jun-15	16,469,000	265,629	6,537,775	105,448	9,931,225	160,181	60.30%	
Stage 15	15-Dec-15	13,050,000	277,660	4,933,238	104,963	8,116,762	172,697	62.20%	
Stage 18A	27-May-16	4,652,000	310,133	1,574,160	104,944	3,077,840	205,189	66.16%	
Stage 14B	28-Oct-16	0	0	0	0	0	0	0.00%	
		<u>194,207,500</u>		<u>92,939,630</u>		<u>101,267,870</u>			

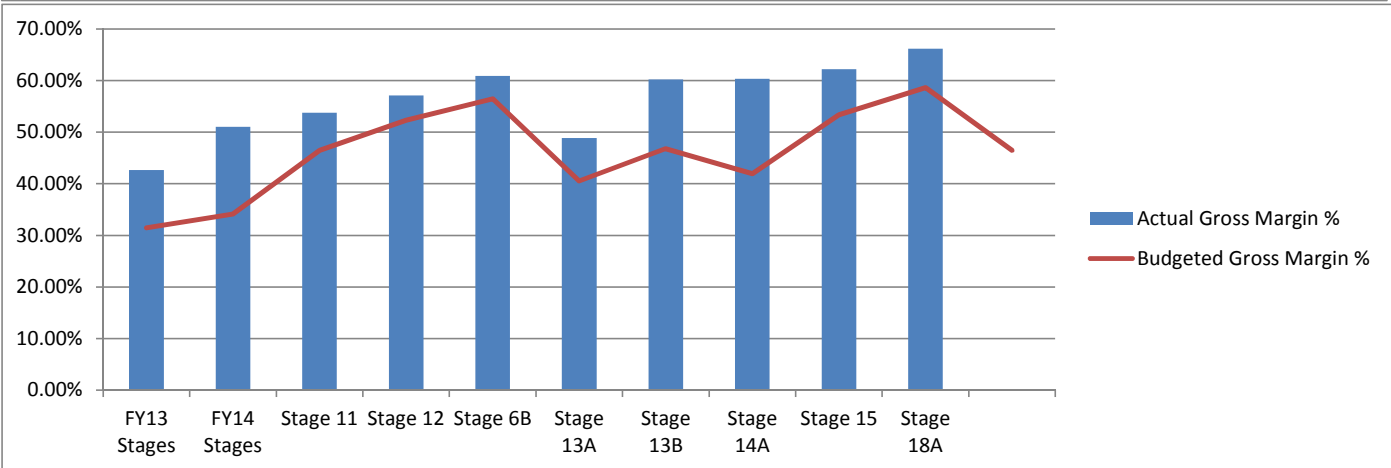
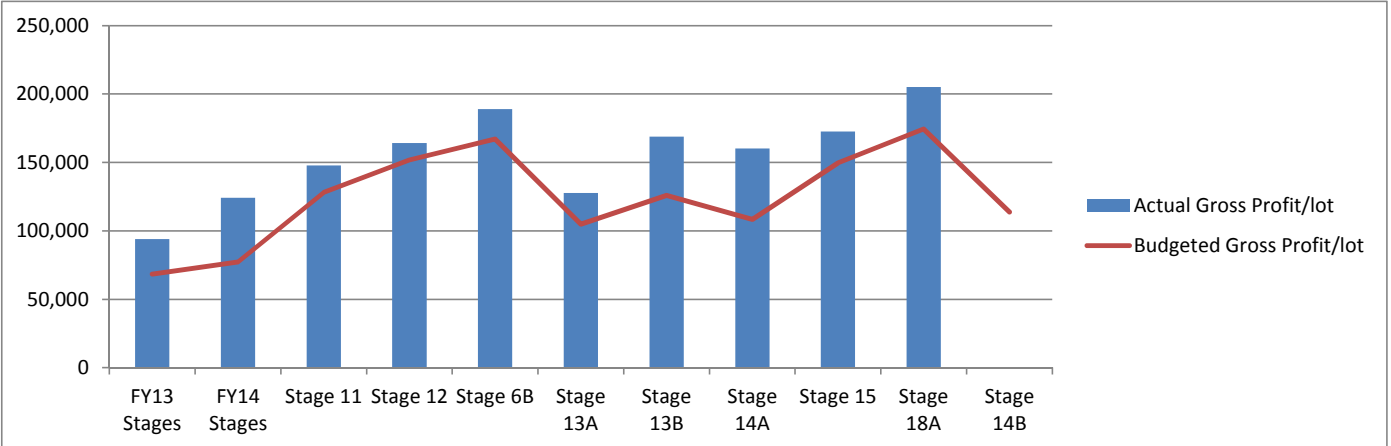
- Values for actuals are based on 'settled lots only' for the relevant stages.

- PTD gross profit for stage 18A is \$31k/lot above budget due to the mix of lots settled to date (\$13k higher than the stage average). There is also \$18k/lot saving on lot production costs due to contingency items not required.

Budget

Stages	Budget Version	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)		Direct Costs/lot	Budgeted Gross	Budgeted Gross	Budgeted Gross
				Profit	Profit/lot		Margin %		
FY13 Stages	May-12	51,358,953	217,623	35,200,675	149,155	16,158,278	68,467	31.46%	
FY 14 Stages	Jun-13	46,931,935	226,724	30,917,421	149,360	16,014,514	77,365	34.12%	
Stage 11	Aug-14	17,645,281	275,708	9,444,658	147,573	8,200,623	128,135	46.47%	
Stage 12	Aug-14	14,221,581	290,236	6,787,551	138,521	7,434,030	151,715	52.27%	
Stage 6B	Aug-14	7,098,672	295,778	3,089,032	128,710	4,009,640	167,068	56.48%	
Stage 13A	Aug-14	9,585,882	259,078	5,703,355	154,145	3,882,527	104,933	40.50%	
Stage 13B	Aug-14	12,111,408	269,142	6,443,000	143,178	5,668,408	125,965	46.80%	
Stage 14A	Aug-14	15,504,265	258,404	9,001,574	150,026	6,502,690	108,378	41.94%	
Stage 15	Aug-15	15,433,000	280,600	7,203,599	130,975	8,229,401	149,625	53.32%	
Stage 18A	Jun-16	8,626,000	297,448	3,567,470	123,016	5,058,530	174,432	58.64%	
Stage 14B	Jun-16	2,448,087	244,809	1,310,427	131,043	1,137,659	113,766	46.47%	
		<u>204,473,963</u>		<u>120,822,599</u>		<u>83,651,365</u>			

- Values for budget are based on 'total lots' for the relevant stages.



# Appendix 9.6



3 November 2016

Mr Tony Arias  
Chief Executive Officer  
Tamala Park Regional Council  
Unit 2, 369 Scarborough Beach Road  
INNALOO WA 6018

Dear Tony

### **CATALINA: Rebate Recommendation**

The Tamala Park Regional Council meeting held on 16 June 2016, resolved to:

***“approves the extension of the payment of an early Construction rebate to the value of \$8,000 per lot on selected lots with lot sizes up to 380m<sup>2</sup> for contracts entered into until 30 December 2016. Subject to the purchaser providing a copy of a signed Building Contract prior to settlement with the rebate being paid to the purchaser(s) nominated builder within 6 months of settlement of the lot”***

The Satterley Property Group (SPG), consider that although the early construction rebate has been effective, an alternative measure is required to generate renewed market interest in aged stock and ensure they remain competitive. In this regard, SPG recommend discontinuing the ‘early construction rebate’ for aged stock that remains unsold after 30 December 2016 and from 31 December reducing the price of aged stock by 5%.

### **WA Market Update**

WA property market conditions remain tough and highly competitive, with shallow market confidence continuing to be a factor impacting the local real estate market

The general property market continues to be effected by weak consumer sentiment in the local economy as well as a recent shift in population trends, with WA continuing to experience negative growth in interstate migration post the mining downturn as people continue to seek employment opportunities in the eastern states. Net overseas migration into WA has also continued to remain subdued.

Overall Perth Metro Region Sales turnover decreased by 29% in the June 2016 Quarter compared to the revised March Quarter data. Housing sales volumes reported by reiwa members show a continuing trend downwards on a monthly basis since February 2013. The proportion of sellers discounting properties remains high at 44%, with the average discount amount equal to -6.8%. Dwelling approvals in WA are 17.0% lower than the same time last year.

WA First Home Owners Grant (FHOG) applications YOY Change has seen a decrease of 65.3%



Lending policies of the major banks remain tight and a significant hurdle for buyers looking to enter the market. Finance declines continue to make up the largest portion of total cancellations, with changes to buyer's personal circumstances and job losses also contributing regularly resulting in finance applications being declined.

### **Catalina Sales**

Sales activities at Catalina Estate since July this year have yielded 34 net sales and 27 settlements.

Competition amongst developer estates operating in the northern corridor remains highly competitive. There is a lack of urgency from prospective buyers and visitations to the sales office and display villages remain consistently low.

Buyers remain sensitive to any increases in block prices and are looking for a 'sharp' price and in many cases, a retail incentive, to proceed with a purchase. The sales team continues to actively promote the estate with a significant focus on networking and partnering with key project homes builders through home and land packaging. Consistent sales service is being provided to builder sales reps through visits to local display villages and group presentations at builder sales meetings.

The current FYE17 sales budget is 119 lots is based on achieving an average of approximately 10 net sales per month (including the sale of 15 display village lots in Catalina Beach which are yet to be released to the market). Sales during September and October were adversely affected by the limited availability of unconstrained lots with desirable land areas. During this period, SPG have sought to clear aged and constrained lots. Based on limited availability of lots, it may have been expected that purchasers seeking to enter the Catalina Estate may have elected to pursue the available, aged stock. This did not occur with limited sales achieved during this period despite many of the lots being subject to an early construction rebate.

Stage 17A, comprising 25 predominantly regularly shaped lots with sought after lot typologies and areas has been met with strong market interest following its release on the 29<sup>th</sup> October. Five registrations were received on the morning of the release with ongoing interest being shown by prospective purchasers. The project is forecast to achieve budget for the financial year.

During their meeting in October 2015, the TPRC approved the application of an \$8,000 early construction rebates to eligible aged stock as incentive to purchasers to facilitate the sale of aged, in most instances constrained, lots. To date the rebate has had limited effect on the sale of aged and constrained lots. SPG consider that an alternative strategy is required to generate renewed interest in the lots as they are clearly above market price. SPG also notes that a number of competitor estates within the northern corridor have made significant price reductions, up to \$25,000 per lot on selected stock.

SPG seek to reduce the price of 10 selected lots that have been on the market between 243 days and 893 days by 5% in lieu of an \$8,000 early construction rebate. The proposed reduction by 5% would result in an overall reduction in lot prices of \$122,700 against the current advertised price (also being the budgeted price). This reduction equates to an average reduction of \$12,270 per lot (or \$4,270 more than the currently approved \$8,000 early construction rebate).

The table overleaf identifies the lots for which a price reduction is sought, the current list price, the budget price, proposed sale price and days on market:



Stage	Lot #	Release Date	Days on Market	Budget Price	Current Price	Current Rebate	Proposed Offer	New Price	Comments
12	305	24/5/2014	893	\$304,000	\$304,000	No rebate applied	5% price reduction, no rebate.	\$288,000	Mandatory two story, side rear garage, located opposite proposed school site.
13	726	5/6/2015	516	\$210,000	\$210,000	\$8,000 early construction rebate	5% price reduction, no rebate.	\$199,500	Mandatory two story, 9 metre frontage
13	727	5/6/2015	516	\$210,000	\$210,000	\$8,000 early construction rebate	5% price reduction, no rebate.	\$199,500	Mandatory two story, 9 metre frontage
13	728	5/6/2015	516	\$210,000	\$210,000	\$8,000 early construction rebate	5% price reduction, no rebate.	\$199,500	Mandatory two story, 9 metre frontage
13	757	5/6/2015	516	\$210,000	\$210,000	\$8,000 early construction rebate	5% price reduction, no rebate.	\$199,500	Mandatory two story, 9 metre frontage
13	758	5/6/2015	516	\$210,000	\$210,000	\$8,000 early construction rebate	5% price reduction, no rebate.	\$199,500	Mandatory two story, 9 metre frontage
15	822	24/7/2015	467	\$300,000	\$300,000	No rebate applied	5% price reduction, no rebate	\$285,000	Quiet house design requirement
15	841	16/10/2015	383	\$257,000	\$257,000	No rebate applied	5% price reduction, no rebate	\$244,150	2.59 metre retaining wall at rear
18	880	4/3/2016	243	\$265,000	\$265,000	No rebate applied	5% price reduction, no rebate	\$251,750	Irregular frontage 11.1
18	921	4/3/2016	243	\$262,000	\$262,000	No rebate applied	5% price reduction, no rebate	\$248,900	Irregular frontage 10.6



## Recommendation

Satterley Property Group provides the following recommendations to achieve the FYE17 sales target:

- Discontinue the application of \$8,000 early construction rebates
- Reduce the price of 10 aged lots by 5%
- Approve the sale of the 10 lots 5% less than budgeted values (\$122,700 based on full discount or \$42,700 less than the list price when including \$8,000 rebate )

Should you require any further clarification please contact the undersigned.

Yours sincerely

A handwritten signature in blue ink that reads "Lauren Vidler".

**Lauren Vidler**  
Development Manager

# Appendix 9.7

8 November 2016

Mr Tony Arias  
Chief Executive Officer  
Tamala Park Regional Council  
Unit 2, 369 Scarborough Beach Road  
INNALOO WA 6019

Dear Tony,

### **Catalina Oct-16 (FY2017) Mid-Year Budget Review**

Please find attached a review of the Oct-16 (FY2017) Mid-Year Catalina Budget. The review is discussed under the following headings:

1. Financial Year Ending 2016 (FY2016)
2. Operations for Financial Year Ending 2017 (FY2017)
3. Review of FY2017
4. Key Risks for achieving FY2017 Budget
5. Snapshot of Financial Year Ending 2018 (FY2018)
6. Project Forecast
7. Assumptions
8. Cash Requirement, Capital Return and Profit Distribution Capacity

#### **1. Financial Year Ending 2016**

The Oct-16 (FY2017) Mid-Year Catalina budget updates the FY2017 Approved Budget with actual revenues and costs for the full FY2016 financial year and reports net cashflow of \$15.8m for the year to 30 June 2016, which is \$9.7m more than previously forecast for FY2016. The high level areas of variance are summarised below:

- › 93 sales were achieved in FY2016, 6 lots higher than the FY2017 Approved Budget forecast.
- › Gross income was \$3.6m higher than anticipated, with 8 more settlements than the FY2017 Approved Budget.
- › Actual development costs were \$6.0m lower than the FY2017 Approved Budget, driven by deferred landscaping costs of \$1.5m including for Aviator Boulevard Entry Statement (\$0.23m), Marmion Ave Eastern Verge Upgrade (\$0.23m) and Feature Entry Statement 1.2 (\$0.15m) items. Actual lot production costs overall were \$1.2m lower than forecast, with savings of \$0.76m realised for stage 14-18 earthworks and deferral of \$0.75m of primary school bulk earthworks offset by \$0.51m of brought forward costs for stage 14B lot production.
- › Total distributions for FY2016 were \$15m as per forecast.



## 2. Operations for Financial Year Ending 2017

The key operations for the 2017 financial year as forecast in the proposed budget are:

1. Distribution guidance remains unchanged at \$11m.
2. Forecast sales of 129 lots (+10 from FY17 Approved Budget).
3. Forecast settlements of 93 lots (unchanged).
4. Forecast gross income of \$25.5m.
5. Forecast titles to be issued for stages 14B, 17A, 18B and 25, totaling 124 residential lots.
6. Subdivision approvals for stages 16A and 16B in Catalina Central and Stages 36 and 37 in Catalina Grove. Lodge minor LSP Amendment for Catalina Grove.
7. Civil construction contracts to be let for stages 17A, 18B and 25 totaling 120 lots.
8. Total earthworks and civil construction costs for the year of \$13.2m.
9. Landscaping for stages 10 – 15 in Catalina Central (\$1.5m). Catalina Beach landscaping will include POS (\$1.0m), Marmion Ave verge (\$0.4m) and entry statement (\$0.3m). Total landscaping of \$6.0m budgeted.
10. Infrastructure costs of \$3.9m are forecast for FY2017 including the final works for the Neerabup Road Green Link (\$1.5m) and Neerabup Rd/Maroochydore Way Intersection (\$0.8m). The waste water pump station in Catalina Beach (FY2017 - \$0.9m and FY2018 - \$1.1m) will commence with the Water Corporation set to reimburse full costs of the pump station (\$2.1m) 13 months after installation in FY2019.

## 3. Review of Financial Year Ending 2017

The Oct-16 (FY2017) Mid-Year Budget Review forecasts a net cashflow before distributions of (\$3.6m) for the year to 30 June 2017, which is (\$2.2m) less than the FY2017 Approved Budget, driven by group housing site income \$1.2m lower than previously forecast. The main areas of variance are summarised below:

- › Annual sales for FY2017 have increased by 10 lots with the inclusion of sales from stage 18B.
- › Settlement forecast of 93 lots remains unchanged with a negligible impact to residential lot income. Lot settlements in stages 13A, 14A and 15 occurring in FY2016 ahead of the FY2017 Approved Budget have now been replaced by brought forward lot settlements in stages 17A and 18B which are now forecast to be fully constructed and titled this financial year.
- › Other income has decreased by \$1.2m due to one stage 18B group housing site previously forecast to settle this financial year reverting to POS. The remaining two stage 18B group housing sites are forecast for June 2017 settlement, generating \$2.6m gross revenue.
- › Landscaping works have reduced by \$0.7m, with \$1.5m of unspent landscaping in Catalina Central stages 10-15 carried from FY2016 into FY2017 offset by Catalina Beach landscaping costs deferred to FY2018.

- › Infrastructure costs have increased by \$2.4m, with the previously anticipated \$2.2m primary school bulk earthworks reimbursement deferred to FY2018 (note: the total value of the refund for bulk earthworks has reduced by \$1.1m).
- › Lot production costs in total for FY2017 are \$1.3m lower compared to the FY2017 Approved Budget, with variances including the following notable differences:
  - \$1.5m of previously forecast costs for the primary school bulk earthworks now deferred to FY2018.
  - \$0.7m of Stage 25-28 bulk earthworks now separately identified and linked to stage 27 and 28 works and deferred to FY2018/19.
  - \$0.5m lower civil costs for Stage 14B with costs incurred in FY2016.
  - \$0.6m higher lot production costs for Stage 17A with works brought forward in response to low stock levels, with titles and initial settlements now occurring FY2017.
  - \$1.5m higher costs for Stage 18B brought forward with full construction and titles now being achieved in FY2017.
  - \$0.4m actual savings for Stage 25 civil construction in Catalina Beach.

#### **4. Key Risks for achieving Financial Year Ending 2017 Budget**

The following are key risks for TPRC receiving budgeted revenue in Oct-16 (FY2017) Mid-Year Budget:

- › Achieving sales rates in accordance with the budget;
- › Settlements forecast for FY2017 being deferred to FY2018 (including group housing sites), resulting in lower revenue being achieved in FY2017;
- › Construction delays resulting in delays in titles issuing;
- › Achieving sales prices as per the budget;
- › Higher than expected fallover rates for sales resulting in delayed settlements.

#### **5. Review of Financial Year Ending 2018**

The budget review forecasts net cashflow before distributions of (\$6.1m) for the year to 30 June 2018, which is \$3.1m lower than the FY2017 Approved Budget. The high level areas of variance are summarised below:

- › Gross Income has increased by \$2.2m due to 4 more settlements than the FY2017 Approved Budget. The difference is a result of the flow on effect from bringing 10 sales for Stage 18B into FY2017, resulting in increased settlements in FY2018.
- › Overall development costs are \$5.2m higher than previously forecast, with \$2.3m higher lot production costs driven by \$1.5m costs deferred from FY2017 for primary school bulk earthworks and \$2.4m higher landscaping costs driven by Catalina Beach costs deferred from FY2017, in addition to a net \$0.5m increase across consultants, infrastructure, bonds and contingency.



- › Distribution capacity for FY2018 is consistent with the FY2017 Approved Budget at \$4m. It should be noted the distribution level for FY2018 is noticeably lower relative to prior and subsequent years due to the anticipated \$10.4m acquisition of WAPC land in Apr-18 funded from the project cashflow.

## 6. Project Forecast

The Oct-16 (FY2017) Mid-Year Budget forecasts an overall net cash profit of \$354.6 million for the life of the project. This is \$1.8m more than the FY2017 Approved Budget which is driven by \$2.1m in lot production savings from reduced headworks costs over future stages, and a \$1.7m reduction in direct selling expenses driven by reduced display builder rebates for Catalina Beach and savings of unused fencing, landscaping and solar rebates.

It is worth noting that the life of project profit forecast has increased by \$42.8m from the initial feasibility forecast of \$311.8m, with an improvement in project IRR from 18.2% to 20.4%.

## 7. Assumptions

Achieving title dates, and therefore the revenue streams, as described in the budget model are dependent on obtaining planning and engineering approvals. Any deferment of the commencement of works will result in titles being deferred, impacting the current distribution profile for FY2017 and 18.

Additionally, the timeframes provided by the engineers are dependent on the civil contractor being able to achieve these timeframes.

Stage	Lots	Titles
14B	10	Nov-16
17A	25	Apr-17
18B	31	May-17
25	58	May-17
17B	36	Mar-18
26	38	Mar-18
16A	19	Jun-18

Escalation rates remain unchanged from the FY2017 approved budget as follows;

Oct-16 (FY2017) Mid-Year Budget Review				
ESCALATION	FY17	FY18	FY19	FY20 ON
Income escalation	0%	2%	4%	4%
Cost Escalation	0%	1%	2%	2%

## 8. Cash Requirement, Capital Return and Profit Distribution Capacity

The Oct-16 (FY2017) Mid-Year Budget Review forecasts a minimum cash balance for the project of \$31.4m in FY2017 and \$21.3m in FY2018. Approximately \$15m is maintained as a minimum ongoing cash balance from FY2017 until project completion.

Life of project distributions are now forecast as follows;

Catalina   Profit Distribution Capacity				
FINANCIAL YEAR	CURRENT BUDGET OCT-16 REVIEW	FY2017 APPROVED BUDGET	VARIANCE	CUMULATIVE VARIANCE
PTD FYE2015	27,700,000	27,700,000	-	-
FYE2016	15,000,000	15,000,000	-	-
FYE2017	11,000,000	11,000,000	-	-
FYE2018	4,000,000	4,000,000	-	-
FYE2019	18,000,000	15,000,000	3,000,000	3,000,000
FYE2020	22,000,000	21,000,000	1,000,000	4,000,000
FYE2021	34,000,000	36,000,000	(2,000,000)	2,000,000
FYE2022	42,000,000	39,000,000	3,000,000	5,000,000
FYE2023	34,000,000	34,000,000	-	5,000,000
FYE2024	34,000,000	35,000,000	(1,000,000)	4,000,000
FYE2025	22,000,000	25,000,000	(3,000,000)	1,000,000
FYE2026	55,000,000	51,000,000	4,000,000	5,000,000
FYE2027	23,000,000	26,000,000	(3,000,000)	2,000,000
FYE2028	12,879,696	13,057,345	(177,649)	1,822,351
<b>Total</b>	<b>354,579,696</b>	<b>352,757,345</b>	<b>1,822,351</b>	

Should you have any queries on this report, please do not hesitate to contact me.

Yours sincerely



**Ross Carmichael**  
General Manager Finance

# Catalina Monthly Cashflow | FY2017 | Oct-16 Mid Year Budget Review

AUG-16 BUDGET REVIEW	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	FY2017 TOTAL	FY2017 APPROVED BUDGET TOTAL	VARIANCE
Sales Release	10	-	2	-	40	-	74	-	-	-	-	-	126	99	27
Sales - Stage 11	-	-	-	-	-	-	-	-	-	-	-	-	-	1	(1)
Sales - Stage 12	-	-	1	1	-	-	-	-	-	-	-	-	2	1	1
Sales - Stage 13B	-	1	1	1	1	1	1	1	1	-	-	-	8	5	3
Sales - Stage 14A	-	-	-	1	-	-	-	-	-	-	-	-	1	1	-
Sales - Stage 14B	-	4	1	2	3	-	-	-	-	-	-	-	10	10	-
Sales - Stage 15	2	3	3	2	-	-	-	-	-	-	-	-	10	10	-
Sales - Stage 17A	-	-	-	-	-	4	4	4	3	3	3	3	24	18	6
Sales - Stage 17B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales - Stage 18A	6	2	2	2	2	-	-	-	-	-	-	-	14	23	(9)
Sales - Stage 18B	-	-	-	-	-	-	-	2	2	2	2	2	10	-	10
Sales - Stage 25	-	-	-	-	-	15	-	7	7	7	7	7	50	50	-
<b>Total Sales</b>	<b>8</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>6</b>	<b>20</b>	<b>5</b>	<b>14</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>129</b>	<b>119</b>	<b>10</b>
Titles	-	-	-	-	10	-	-	-	-	25	89	-	124	68	56
Settlements	7	7	2	5	5	21	9	9	3	1	3	21	93	93	-
Closing Stock	35	25	19	10	44	24	93	79	66	54	42	30	30	21	9
Contracts on hand	26	29	35	39	40	39	35	40	50	61	70	61	61	53	8
Average Settlement Price	255,714	306,143	294,583	274,149	274,091	272,045	268,278	266,227	265,953	214,641	279,662	331,699	286,065	282,619	3,446
<b>GROSS INCOME</b>															
Income - Stage 11	240,000	-	-	-	-	-	-	-	-	-	-	-	240,000	240,000	-
Income - Stage 12	-	-	-	269,500	286,750	286,750	-	-	-	-	-	-	843,000	843,000	-
Income - Stage 13A	-	-	-	-	-	-	-	-	-	-	-	-	-	225,000	(225,000)
Income - Stage 13B	-	-	-	223,500	219,000	216,750	215,625	215,063	214,781	214,641	214,641	-	1,734,000	1,731,000	3,000
Income - Stage 14A	-	261,000	-	-	-	265,000	265,000	-	-	-	-	-	791,000	1,279,667	(488,667)
Income - Stage 14B	-	-	-	-	-	1,235,500	494,200	741,300	-	-	-	-	2,471,000	2,448,087	22,913
Income - Stage 15	917,000	-	299,000	295,000	291,538	1,166,154	874,615	874,615	583,077	-	-	-	5,301,000	6,512,541	(1,211,541)
Income - Stage 17A	-	-	-	-	-	-	-	-	-	-	624,344	624,344	1,248,688	-	1,248,688
Income - Stage 18A	633,000	1,882,000	290,167	582,744	573,168	2,542,792	565,065	565,065	-	-	-	-	7,634,000	7,698,954	(64,954)
Income - Stage 18B	-	-	-	-	-	-	-	-	-	-	-	1,149,548	1,149,548	-	1,149,548
Income - Stage 25	-	-	-	-	-	-	-	-	-	-	-	5,191,780	5,191,780	5,305,281	(113,501)
<b>Income - Lots Total</b>	<b>1,790,000</b>	<b>2,143,000</b>	<b>589,167</b>	<b>1,370,744</b>	<b>1,370,456</b>	<b>5,712,946</b>	<b>2,414,505</b>	<b>2,396,043</b>	<b>797,858</b>	<b>214,641</b>	<b>838,985</b>	<b>6,965,672</b>	<b>26,604,016</b>	<b>26,283,529</b>	<b>320,487</b>
Income - Other	-	-	-	-	-	-	-	-	1,000,000	-	-	2,615,750	3,615,750	4,794,250	(1,178,500)
Direct Selling Expenses	241,989	349,238	480,071	217,085	154,782	434,098	412,197	355,104	404,259	239,799	258,499	1,130,411	4,677,532	3,805,686	(871,846)
<b>GROSS INCOME</b>	<b>1,548,011</b>	<b>1,793,762</b>	<b>109,095</b>	<b>1,153,659</b>	<b>1,215,674</b>	<b>5,278,848</b>	<b>2,002,309</b>	<b>2,040,939</b>	<b>1,393,599</b>	<b>(25,158)</b>	<b>580,486</b>	<b>8,451,011</b>	<b>25,542,234</b>	<b>27,272,093</b>	<b>(1,729,859)</b>
<b>DEVELOPMENT COSTS</b>															
Special Sites Development	-	-	49,657	-	-	-	-	-	-	-	-	-	49,657	49,657	-
Consultants	9,855	61,886	60,517	113,073	61,607	120,542	42,944	42,978	42,999	43,010	43,724	43,827	686,963	675,204	(11,760)
Landscape	217,792	108,390	541,372	703,260	491,474	520,948	288,681	265,062	156,032	508,374	1,131,877	1,131,344	6,064,606	6,807,816	743,209
Infrastructure	94,889	557,305	247,804	247,804	267,420	274,920	291,711	284,211	200,107	478,678	451,472	451,472	3,847,792	1,474,031	(2,373,761)
Main 01 Bulk Earthworks Stgs 14-18 Cell B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Main 01 Bulk Earthworks Stg 20-24 Cell B	-	-	-	-	-	-	-	-	-	-	-	-	-	1,493,600	1,493,600
Western Cell Bulk Earthworks Stgs 25-28	23,801	2,880	274,635	274,635	274,635	274,635	-	-	-	-	-	-	1,125,223	1,824,136	698,914
Western Cell Bulk Earthworks Stgs 29-31	-	-	-	-	-	-	-	-	-	-	-	2,548	2,548	-	-
Eastern Cell Bulk Earthworks Stgs 36-40	-	-	9,375	9,375	9,375	13,375	13,375	13,375	13,375	13,375	9,375	9,375	113,750	428,250	314,500
Eastern Cell Bulk Earthworks Stgs 41-44	-	-	-	-	-	-	-	-	-	-	-	21,849	21,849	21,849	-
Lot Production - Stage 6B	-	-	27,000	-	-	-	-	-	-	-	-	-	27,000	-	(27,000)
Lot Production - Stage 6C	-	-	67,500	-	-	-	-	-	-	-	-	-	67,500	-	(67,500)
Lot Production - Stage 9	-	-	-	-	-	-	-	-	-	-	-	137,700	137,700	137,700	-
Lot Production - Stage 10	-	-	-	-	-	-	-	-	-	-	-	81,000	81,000	81,000	-
Lot Production - Stage 11	-	-	-	-	-	-	-	-	-	-	-	178,200	178,200	178,200	-
Lot Production - Stage 12	-	-	-	-	-	-	-	-	-	-	-	132,300	132,300	132,300	-
Lot Production - Stage 13A	-	-	2,722	2,722	-	-	-	-	-	-	-	99,900	105,345	99,900	(5,445)
Lot Production - Stage 13B	-	-	-	-	-	-	-	-	-	-	-	121,500	121,500	121,500	-
Lot Production - Stage 14A	2,333	1,167	16,850	-	-	-	-	-	-	-	-	170,100	190,450	170,100	(20,350)
Lot Production - Stage 14B	1,250	3,097	168,263	26,986	-	-	-	-	-	-	-	-	199,596	663,986	464,390
Lot Production - Stage 15	-	-	-	-	123,171	-	-	-	-	-	-	148,500	271,671	148,500	(123,171)
Lot Production - Stage 16A	-	-	-	-	-	-	-	-	-	-	-	-	-	37,800	37,800
Lot Production - Stage 16B	-	-	-	-	-	-	-	-	-	-	-	-	-	108,000	108,000
Lot Production - Stage 17A	17,263	15,345	7,094	7,094	7,094	172,325	172,425	172,526	408,127	172,728	172,830	-	1,324,852	745,458	(579,394)
Lot Production - Stage 17B	-	-	-	-	-	-	-	-	-	-	20,333	20,333	40,667	-	(40,667)
Lot Production - Stage 18A	(45,492)	-	179,592	-	-	-	-	-	-	-	-	-	134,101	241,237	107,137
Lot Production - Stage 18B	123,243	-	-	10,793	10,793	10,793	10,793	565,543	565,543	867,450	554,750	-	2,719,700	1,173,714	(1,545,986)
Lot Production - Stage 25	19,655	4,914	21,387	21,387	21,387	21,387	927,167	927,832	928,499	1,506,082	908,455	909,130	6,217,281	6,645,539	428,258
Lot Production - Stage 26	1,939	4,703	-	-	-	-	-	-	-	-	-	-	6,641	32,441	25,799
Administration	(135,610)	97,594	378,917	67,550	67,550	67,550	62,550	62,550	62,550	62,550	62,550	62,550	918,847	1,075,117	156,270
Marketing	9,510	25,196	160,947	62,903	62,903	62,903	62,903	62,903	62,903	62,903	62,903	62,903	761,778	663,734	(98,044)
Community Development	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000	192,500	92,500
Finance/Bonds	100,000	-	1,098,769	-	-	-	-	100,000	-	-	-	-	1,298,769	1,600,000	301,231
Debtor/Creditor Movement	15,668	200,279	582,482	-	-	-	-	-	-	-	-	-	798,429	165,944	(632,485)
Contingency	-	0	118,582	85,280	77,771	84,869	117,307	143,545	145,719	223,910	194,125	212,519	1,403,626	1,483,907	80,282
<b>DEVELOPMENT COSTS</b>	<b>456,096</b>	<b>1,082,754</b>	<b>4,023,467</b>	<b>1,642,861</b>	<b>1,485,180</b>	<b>1,634,247</b>	<b>1,999,856</b>	<b>2,650,524</b>	<b>2,595,853</b>	<b>3,949,060</b>	<b>3,622,393</b>	<b>4,007,050</b>	<b>29,149,341</b>	<b>28,675,669</b>	<b>(473,672)</b>
<b>CASHFLOW</b>	<b>1,091,915</b>	<b>711,008</b>	<b>(3,914,372)</b>	<b>(489,202)</b>	<b>(269,506)</b>	<b>3,644,602</b>	<b>2,452</b>	<b>(609,585)</b>	<b>(1,202,254)</b>	<b>(3,974,218)</b>	<b>(3,041,907)</b>	<b>4,443,961</b>	<b>(3,607,107)</b>	<b>(1,403,575)</b>	<b>(2,203,531)</b>
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distribution Capacity	-	-	-	-	-	9,000,000	-	-	-	-	-	2,000,000	11,000,000	11,000,000	-
Cumulative Cash Balance	47,088,828	47,799,836	43,885,464	43,396,262	43,126,756	37,771,358	37,773,810	37,164,225	35,961,971	31,987,753	28,945,845	31,389,806	31,389,806	24,000,622	7,389,184
Cumulative Cash Balance Forecast (FY2017 Approved Budget)	37,942,964	37,068,434	38,315,194	36,495,039	38,529,252	33,792,491	33,513,585	31,372,017	36,296,593	35,171,344	33,516,361	24,000,622	24,000,622	-	-
Cumulative Cash Balance Variance	9,145,863	10,731,401	5,570,270	6,901,223	4,597,504	3,978,867	4,260,225	5,792,208	(334,622)	(3,183,592)	(4,570,516)	7,389,184	7,389,184	-	-



# Catalina Monthly Cashflow | FY2018 | Oct-16 Mid-Year Budget Review

AUG-16 BUDGET REVIEW	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	FY2018 TOTAL	FY2017 APPROVED BUDGET TOTAL	VARIANCE
Sales Release	-	-	38	36	-	-	-	19	-	-	52	-	145	165	(20)
Sales - Stage 16A	-	-	-	-	-	-	-	-	5	6	6	2	19	-	19
Sales - Stage 17A	1	-	-	-	-	-	-	-	-	-	-	-	1	13	(12)
Sales - Stage 17B	-	-	-	-	5	6	6	6	1	-	-	4	28	29	(1)
Sales - Stage 18A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales - Stage 18B	2	6	6	6	1	-	-	-	-	-	-	-	21	31	(10)
Sales - Stage 25	3	3	2	-	-	-	-	-	-	-	-	-	8	8	-
Sales - Stage 26	-	-	-	6	6	6	4	4	4	4	4	-	38	38	-
Sales - Stage 27	-	-	-	-	-	-	-	-	-	-	-	4	4	3	1
<b>Total Sales</b>	<b>6</b>	<b>9</b>	<b>8</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>119</b>	<b>122</b>	<b>(3)</b>
Titles	-	-	-	-	-	-	-	-	74	-	-	19	93	130	(37)
Settlements	7	13	12	12	12	14	9	9	3	11	12	12	126	122	4
Closing Stock	24	15	45	69	57	45	35	44	34	24	66	56	56	64	(8)
Contracts on hand	60	56	52	52	52	50	51	52	59	58	56	54	54	53	1
Average Settlement Price	308,631	328,568	327,943	327,999	328,051	319,065	307,803	307,803	326,961	348,839	344,337	344,337	328,010	327,724	287
<b>GROSS INCOME</b>															
Income - Stage 17A	1,873,032	1,561,033	936,620	936,620	936,620	312,207	-	-	-	-	-	-	6,556,132	9,427,756	(2,871,624)
Income - Stage 17B	-	-	-	-	-	-	-	-	-	1,474,124	1,768,949	1,768,949	5,012,023	-	5,012,023
Income - Stage 18B	287,387	287,524	575,870	576,538	577,162	1,731,867	1,731,867	1,731,867	288,644	-	-	-	7,788,725	8,584,690	(795,965)
Income - Stage 25	-	2,422,831	2,422,831	2,422,831	2,422,831	2,422,831	1,038,356	1,038,356	692,237	-	-	-	14,883,102	15,208,471	(325,369)
Income - Stage 26	-	-	-	-	-	-	-	-	-	2,363,100	2,363,100	2,363,100	7,089,299	6,761,358	327,941
<b>Income - Lots Total</b>	<b>2,160,419</b>	<b>4,271,388</b>	<b>3,935,320</b>	<b>3,935,989</b>	<b>3,936,612</b>	<b>4,466,904</b>	<b>2,770,223</b>	<b>2,770,223</b>	<b>980,882</b>	<b>3,837,224</b>	<b>4,132,049</b>	<b>4,132,049</b>	<b>41,329,281</b>	<b>39,982,275</b>	<b>1,347,006</b>
Income - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Selling Expenses	203,292	329,155	298,464	298,239	309,058	511,107	413,063	281,180	111,462	257,099	285,664	478,410	3,776,192	4,598,467	822,275
<b>GROSS INCOME</b>	<b>1,957,128</b>	<b>3,942,233</b>	<b>3,636,856</b>	<b>3,637,750</b>	<b>3,627,554</b>	<b>3,955,797</b>	<b>2,357,160</b>	<b>2,489,042</b>	<b>869,420</b>	<b>3,580,125</b>	<b>3,846,385</b>	<b>3,653,639</b>	<b>37,553,089</b>	<b>35,383,808</b>	<b>2,169,281</b>
<b>DEVELOPMENT COSTS</b>															
Special Sites Development	-	-	-	-	50,209	50,251	50,292	50,334	50,376	10,427,800	171,565	171,708	11,022,534	10,780,560	(241,975)
Consultants	43,866	46,124	44,974	46,238	45,862	122,241	47,388	46,315	46,206	44,784	44,826	42,845	621,668	614,907	(6,761)
Landscape	1,280,388	1,112,870	1,253,972	679,783	563,298	566,023	135,987	63,535	63,588	64,985	72,094	72,154	5,928,677	3,489,325	(2,439,352)
Infrastructure	332,720	333,735	325,067	1,074,496	1,136,718	1,137,665	(496,112)	604,391	604,895	373,475	371,162	306,251	6,104,464	7,534,721	1,430,258
Main 01 Bulk Earthworks Stg 20-24 Cell B	381,943	382,261	382,580	382,899	-	-	-	-	-	-	-	-	1,529,683	-	(1,529,683)
Western Cell Bulk Earthworks Stgs 25-28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cell Bulk Earthworks Stgs 29-31	2,550	2,552	2,555	5,901	5,906	5,911	5,916	5,921	5,926	2,569	2,572	301,600	349,879	349,879	-
Eastern Cell Cell Bulk Earthworks Stgs 36-40	9,383	9,391	-	-	-	-	-	-	-	727,838	728,444	729,051	2,204,106	3,329,846	1,125,739
Eastern Cell Bulk Earthworks Stgs 41-44	21,867	21,886	21,904	25,267	25,288	3,350	3,353	3,356	3,358	-	-	437,689	567,317	567,317	-
Eastern Cell Bulk Earthworks Stgs 45-47	-	-	-	-	-	-	-	-	-	-	-	16,254	16,254	16,254	-
Lot Production - Stage 16A	-	3,650	3,653	3,656	3,659	3,662	3,665	206,495	206,751	207,008	373,490	205,390	1,221,080	194,752	(1,026,327)
Lot Production - Stage 16B	-	16,667	16,681	16,694	16,708	16,722	16,736	473,719	474,289	474,859	879,024	471,067	2,873,166	556,503	(2,316,663)
Lot Production - Stage 17A	-	-	-	-	-	-	-	-	-	-	-	-	-	957,191	957,191
Lot Production - Stage 17B	20,350	20,367	20,384	20,401	446,601	447,096	447,592	775,128	428,100	428,582	-	-	3,054,601	2,418,884	(635,717)
Lot Production - Stage 18A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot Production - Stage 18B	-	-	-	-	-	-	-	-	-	-	-	-	-	1,633,534	1,633,534
Lot Production - Stage 25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot Production - Stage 26	12,490	12,500	12,510	12,521	404,484	404,978	405,474	770,512	393,895	394,383	-	-	2,823,746	2,854,909	31,163
Lot Production - Stage 27	-	-	21,498	21,516	21,534	105,303	105,391	105,478	105,566	105,654	105,742	513,492	1,211,174	708,295	(502,879)
Lot Production - Stage 36	-	-	-	-	-	-	-	-	-	22,079	22,098	22,116	66,293	44,214	(22,079)
Administration	62,591	62,633	366,393	62,717	62,759	62,800	62,842	62,884	57,926	57,968	58,010	58,052	1,037,577	1,037,397	(180)
Marketing	54,442	54,488	54,533	54,579	54,624	54,670	54,715	54,761	54,807	54,852	54,898	54,944	656,313	656,313	-
Community Development	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	192,500	192,500	-
Finance/Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,500,000)	(1,500,000)
Debtor/Creditor Movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	112,308	105,135	128,051	122,134	153,483	162,741	55,884	183,991	138,221	682,709	147,706	191,310	2,183,672	1,994,692	(188,979)
<b>DEVELOPMENT COSTS</b>	<b>2,350,940</b>	<b>2,200,301</b>	<b>2,670,797</b>	<b>2,544,843</b>	<b>3,007,173</b>	<b>3,159,455</b>	<b>915,164</b>	<b>3,422,862</b>	<b>2,649,945</b>	<b>14,085,588</b>	<b>3,047,672</b>	<b>3,609,965</b>	<b>43,664,704</b>	<b>38,431,993</b>	<b>(5,232,711)</b>
<b>CASHFLOW</b>	<b>(393,812)</b>	<b>1,741,932</b>	<b>966,060</b>	<b>1,092,907</b>	<b>620,381</b>	<b>796,342</b>	<b>1,441,996</b>	<b>(933,820)</b>	<b>(1,780,526)</b>	<b>(10,505,463)</b>	<b>798,713</b>	<b>43,673</b>	<b>(6,111,615)</b>	<b>(3,048,185)</b>	<b>(3,063,430)</b>
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distribution Capacity	-	-	-	-	-	2,000,000	-	-	-	-	-	2,000,000	4,000,000	4,000,000	-
Cumulative Cash Balance	30,995,994	32,737,927	33,703,986	34,796,893	35,417,274	34,213,616	35,655,612	34,721,792	32,941,267	22,435,804	23,234,518	21,278,191	21,278,191	16,952,437	4,325,754
Cumulative Cash Balance Forecast (Aug-14 3-Yearly Project Forecast)	17,095,602	17,335,560	15,934,318	16,190,577	20,157,259	15,373,326	18,427,108	21,151,617	23,018,480	23,587,609	25,356,754	15,823,604	15,823,604	-	-
Cumulative Cash Balance Variance	13,900,392	15,402,367	17,769,669	18,606,316	15,260,015	18,840,290	17,228,504	13,570,175	9,922,787	(1,151,805)	(2,122,236)	5,454,588	5,454,588	-	-

# Appendix 9.8

3 November 2016

Mr Tony Arias  
c/- Luke Aitken  
Chief Executive Officer  
Tamala Park Regional Council  
Unit 2, 369 Scarborough Beach Road  
INNALOO WA 6018

Transmitted via email: [luke.aitken@tamalapark.wa.gov.au](mailto:luke.aitken@tamalapark.wa.gov.au)

Dear Mr Arias

**RE: CATALINA GROVE – LOCAL STRUCTURE PLAN REVIEW UPDATE**

During the Tamala Park Regional Council (TPRC) Meeting held on the 21<sup>st</sup> April, 2016 the Council considered the Catalina Grove Precinct Plan analysis undertaken by the Satterley Property Group. The Catalina Grove Precinct Plan, prepared by Urbis, sought to test the currently approved but dated Local Structure Plan exploring opportunities for improvements and considered planning outcomes including vehicular and pedestrian networks, residential density, commercial and mixed use land uses, public open space and landscape design and probable built form outcomes.

During Council's meeting the following resolutions were passed:

**2. NOTES that the Satterley Property Group analysis of the Catalina Grove Precinct Plan is not a detailed economic or feasibility assessment and request the Satterley Property Group to undertake a cashflow feasibility following further consideration of the Catalina Grove Precinct Plan by the project consultants and other specialist consultants.**

**3. REQUESTS the Satterley Property Group to finalise a program for progressing the resolution of issues raised in its analysis of the Catalina Grove Precinct Plan, including the consultation with key stakeholders, including the City of Wanneroo, WAPC, PTA and Main Roads.**

**4. ADVISES the Satterley Property Group that the actions in recommendations (2) and (3) above need to be undertaken in order to finalise the optimum design for Catalina Grove and reported to Council prior to proceeding with any potential amendment to Tamala Park Local Structure Plan relating to Catalina Grove.**

The project town planners (CLE) have been progressing Structure Plan concepts for Catalina Grove encompassing the agreed principles and design outcomes recognised within the Catalina Grove Precinct Plan. Prior to undertaking a detailed economic and feasibility assessments for the Catalina Grove Structure Plan amendment, SPG considered consultation and preliminary acceptance of a proposed Structure Plan concepts



by key stakeholders and regulatory authorities was essential. In this regard, multiple Structure Plan Concepts for Catalina Grove were developed to demonstrate the advantages of different development models. CLE modelled a number of scenarios including a low density development, a high density transit-orientated development and a preferred scenario that incorporates the strengths and opportunities of the alternative models whilst considering the local context and market expectations. A copy of the three scenarios have been included as Annexure A – Low Density, Annexure B – High Density Transit Orientated Development and Annexure C – Preferred Scenario.

The Satterley Property Group (SPG) have sought to action Council's resolution by liaising with key stakeholders including the City of Wanneroo, the Western Australian Planning Commission, Public Transport Authority and Main Roads. All stakeholders have expressed satisfaction with the preferred concept plan.

The Public Transport Authority have provided written advice that the use of the Catalina Grove Underpass is to be for the exclusive use of Transperth Vehicles, pedestrians and cyclists. The City of Wanneroo's preference for the underpass was to facilitate private vehicles. Although the underpass has been constructed to facilitate private vehicles, the road network north of the Catalina Estate, including future connections to the Clarkson Station does not provide connectivity for private motorists. Additionally, the PTA advised that a bus services is currently not planned for the Catalina Estate and due to current budget restriction, a likely timeframe for the commencement of this service is unknown.

Main Road are supportive of the Preferred Structure Plan Concept limiting vehicular movement from the Catalina Grove Estate to a left-in, left-out movement on to Neerabup Road. Additional Estate access would be provided from a roundabout located at the intersection of Connolly Drive and Aviator Boulevard. SPG consider that Main Road position may be accommodated subject to traffic engineering review.

SPG and TPRC met with the Planning Director at the Department of Planning Metropolitan North who expressed support for the Preferred Catalina Grove Concept Plan. In principal, the rationalisation of the mixed use zoning was supported by the WAPC. WAPC also supported the proposed staging of Catalina Grove moving west to East. WAPC considered that market demand for higher density dwelling closer to Clarkson Station was more likely to be achieved in the later stages of the construction and release for Catalina Grove and the longer term release of stages closer to the Station may result in higher density / lot yields.

The City of Wanneroo are also supportive of the proposed preferred Catalina Grove Structure Plan subject to the local employment being addressed. The City have also expressed a desire to have the Catalina Grove underpass available for the use of private vehicles. This position is not supported by the Public Transport Authority.

Upon obtaining Tamala Park Regional Council's acceptance for the preferred Catalina Grove Local Structure Plan concept, it is proposed that the concept plan be tested by the project consultants including civil engineers, landscape architects, environmental consultants and surveyors. Advice will also be sought from a traffic engineer, bush fire planner and retail / commercial land use planner.



In order to address the City of Wanneroo's *Local Planning Policy 3.6: Employment Policy*, SPG are in the process of appointing a retail planning consultant on behalf of the TPRC to demonstrate that potential employment opportunities within the preferred Structure Plan. This information will inform the ultimate size and location for the neighbourhood centre and identify the optimal land use area for mixed-use zoned sites. SPG anticipate the completion of the retail land use assessment by mid-December.

### **Recommendation**

SPG recommends the following actions be taken to progress the Structure Plan Amendment:

- TPRC approval to proceed with Local Structure Plan Amendment based on the preferred Concepts
- Upon obtain Council's support for the proposed Structure Plan Amendment undertake a detailed economic feasibility assessment of the Preferred Structure Plan Concept.
- TPRC agree to appoint CLE to prepared and lodge structure plan amendment
- Lodgment of Structure Plan amendment to be predicated on acceptance of the final design and feasibility analysis by the Chief Executive Officer

If you have any queries or require additional information, please do not hesitate to contact me at your convenience.

Kind Regards

Lauren Vidler  
**DEVELOPMENT MANAGER**





**Annexure A – Low Density (Option 1)**



This plan has no formal approval status and has been prepared by CLE to demonstrate one potential land use scenario for the land which could be investigated further by the Client. Implementation in any form would be subject to the receipt of all appropriate approvals. The plan may be changed without notice and should not be relied upon. This plan remains the property of CLE.



**DRAFT**

CONCEPT PLAN - OPTION 1

Appendix page 58 Catling Grove







**Annexure B – High Density TOD (Option 2)**



This plan has no formal approval status and has been prepared by CLE to demonstrate one potential land use scenario for the land which could be investigated further by the Client. Implementation in any form would be subject to the receipt of all appropriate approvals. The plan may be changed without notice and should not be relied upon. This plan remains the property of CLE.







**Annexure C – Preferred Concept (Option 3)**



This plan has no formal approval status and has been prepared by CLE to demonstrate one potential land use scenario for the land which could be investigated further by the Client. Implementation in any form would be subject to the receipt of all appropriate approvals. The plan may be changed without notice and should not be relied upon. This plan remains the property of CLE.



**DRAFT**



# Appendix 9.9



2 November 2016

Mr Tony Arias  
Chief Executive Officer  
Tamala Park Regional Council  
Unit 2, 369 Scarborough Beach Road  
INNALOO WA 6018

Dear Tony

### **CATALINA ESTATE - REVIEW OF PURCHASER TERMS AND CONDITIONS**

SPG have reviewed the terms and conditions currently being implemented for the sale of lots at Catalina. The Council of the TPRC adopted the recommended terms and conditions prepared by SPG in December 2014 and reviewed in November 2015.

### **CATALINA CENTRAL**

#### **DEPOSIT, FINANCE APPROVALS AND SETTLEMENT**

The existing terms and conditions for lots sold via public release and through builder release are:

- Deposit - \$2,000
- Period for finance approval > 3 months before title - 60 days
- Period for finance approval < 3 months before title - 60 days
- Period for finance extensions - 28 days
- Number of finance extensions - 1
- Settlement within 21 days of issue of titles and / or acceptance / formal finance approval

It is proposed that the above terms are maintained for Catalina Central.

#### **Finance Approval Period**

Current sales at Catalina Central are comparatively slow with a regular supply of lots now available to the market. Many sales are being sourced through builder contacts on the basis of the purchaser obtaining finance for a house and land package.

The current finance approval terms have had the effect of attracting builders to sell house and land packages at Catalina. Builders are generally requesting up to 90 day finance approval period based on an 8 week period to prepare and finalise building plans and a further 4 weeks to obtain formal finance approval.

#### **Deposit**

The \$2,000 deposit has been well received by prospective purchasers and key stakeholders since the TRPC approved a reduction from \$5,000 at the 15 August 2015 Council meeting. The reduced deposit has now brought Catalina into line with a number of competing estates. The \$2,000 facilitates entry level purchasers from securing a lot. It is recommended the \$2,000 deposit continues for Catalina Central and Catalina Grove.





### Settlement Period

Following the August 2013 TPRC Management Committee meeting, the settlement period was reduced from 28 days after the issue of titles or finance approval (whichever is the later) to 21 days after the issue of titles or finance approval (whichever is the later). This revised settlement period has worked well and resulted in quicker settlements, improving the TPRC's cashflow. It is proposed this settlement period remains unchanged.

### **CATALINA BEACH**

#### **DEPOSIT, FINANCE APPROVALS AND SETTLEMENT**

The following terms and conditions for lots sold via public release and through builder release in the Catalina Beach Estate are as follows:

- Deposit - \$5,000
- Period for finance approval > 3 months before title - 45 days
- Period for finance approval < 3 months before title - 45 days
- Period for finance extensions - 28 days
- Number of finance extensions - 1
- Settlement within 21 days of issue of titles and / or acceptance / formal finance approval

### Finance Approval Period

SPG consider that Catalina Beach sales should be subject to a 45 day finance term. 45 day finance terms are comparative to other premium coastal estates, including Beaumaris, who offer 28 day finance terms. The reduced timeframes for obtaining finance approval will assist in identifying qualified and finance ready purchasers. It is anticipated that the Catalina Beach Estate will appeal to a different buyer profile than lots available within Catalina Central. The median house and land value in Catalina Beach is likely to be considerably higher than Catalina Central with purchasers potentially having greater finance capacity.

### Deposit

SPG consider that mandating a \$5,000 deposit within the Catalina Beach Estate will ensure that committed and qualified purchasers with sufficient finance capacity will register for lots and mitigate risk of prospective purchasers with insufficient borrowing capacity registering for lots and subsequently being unable to obtain finance approvals.

### Settlement Period

The settlement period of 28 days after the issue of titles or finance approval (whichever is the later) to 21 days after the issue of titles or finance approval (whichever is the later) has proven successful in Catalina Central and is proposed to be continued within Catalina Beach.

### **SALES INCENTIVES – CATALINA CENTRAL AND CATALINA BEACH**

#### Public Releases

The following sales incentives are available to purchasers of lots sold directly by the TPRC who build a single storey house within 18 months or a double storey house within 24 months of settlement:

- Colourbond side (behind the front building line) and rear fencing to all lots, with brushwood fencing to the side boundary of lots abutting a road;
- Water wise landscaping to front garden and verge areas, including the side boundary of lots abutting a road;



- \$2,000 rebate to all purchasers who install a 1.5 kw solar PV system. SPG have prepared and issued a tender to TPRC's office for consideration if the Council wishes to pursue the appointment of solar power service provider.
- \$1,000 rebate for purchasers who demonstrate that they have installed water efficient appliances, fixtures and fittings.
- \$8,000 Early Construction rebate for selected lots as approved by the Council and subsequently by the CEO.

The sales incentives have been well received by purchasers, encourage the early construction of homes, encourage sustainability and ensure a high quality of streetscape through landscaping and fencing. SPG recommend that the above mentioned incentives remain unchanged.

The continuation of the solar rebate, housing water wise rebate (WELS) and water wise landscaping rebate was considered and supported by Council during their October meeting as part of the review of the Sustainability Initiatives Plan.

#### Builder Releases

Lots sold via builders under an allocation process as house and land packages are currently offered the following incentives;

- \$2,000 rebate to all purchasers who install a 1.5kw PV system;
- Water wise landscaping to front garden and verge areas
- Boundary fencing

The solar and water wise rebates encourage sustainability and works well for builder releases. It is recommended these rebates continue. The benefits of this proposal are it:

- will allow the TPRC to landscape the verge concurrently with the front landscaping, which will enhance presentation and provide a more efficient process for the irrigation of the verge area;
- will ensure the landscaping is completed to a good quality;
- will be more attractive to builders who generally prefer not to get involved in landscaping properties.

#### RECOMMENDATION

SPG recommends retaining the current terms, conditions and sales incentives / rebates for the Catalina Central Estate. SPG consider that the terms and conditions for Catalina Beach should be amended based on the aspiration of creating a premium Estate. In this regard, it is proposed that the deposit be set at \$5,000 per lot with formal finance approval to be provided within 45 days. SPG supports the continuation of sales incentives / rebates to the Catalina Beach Estate including boundary fencing, solar rebates, water wise front landscaping rebates and WELS sustainable fixtures and fittings rebate



If you have any queries or require additional information, please do not hesitate to contact me at your convenience.

Yours sincerely

A handwritten signature in blue ink that reads "Lauren Vidler".

**Lauren Vidler**  
DEVELOPMENT MANAGER

# **Appendix 9.10**

## POLICY MANUAL

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### Sponsorship Policy ([November 2016](#))

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#### Policy Purpose

To provide direction and guidelines for the Tamala Park Regional Council (TPRC) to receive, assess and determine community sponsorship proposals.

#### Policy Objective

The objective of the Sponsorship Policy is to provide sponsorship that contributes to community building and community services/infrastructure and provides direct benefit to the Project.

#### Scope

The Policy applies to all applicants seeking a funding arrangement between the TPRC and an eligible organisation, whereby successful applicants receive funding from TPRC to deliver a specified activity in exchange for the promotion and delivery of TPRC's sponsorship objectives.

#### Background

The Tamala Park Regional Council may consider sponsoring community events and infrastructure on the basis that it benefits the residents of Catalina Estate or the Catalina Project.

The TPRC has initiated a comprehensive Community Development Program for Catalina Estate residents. The key focus of the program is to build community capacity. Part of this will involve providing sponsorship to established community groups in the Estate and supporting community groups outside of the Estate that demonstrate a capacity to directly benefit and involve the Catalina residents.

The focus of the Tamala Park Sponsorship Policy is to support the implementation of the Community Development Plan for the Catalina Project. The overriding principle is that support by TPRC to community sponsorship proposals should be based on demonstrating clear and direct benefits to the residents of the Catalina Estate.

The Sponsorship Policy also advocates support to community sponsorship proposals that provide branding opportunities for the Catalina Estate but also demonstrates benefits to the residents of the Catalina Estate.

#### Sponsorship Category

There are two types of sponsorship that may be considered under this policy 'Community Sponsorship' or 'Project Sponsorship' both categories are defined as follows:

## POLICY MANUAL

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### Sponsorship Policy ([November 2016](#))

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#### Community Sponsorship

To provide sponsorship for the establishment and support of community groups within the Catalina Estate and for the support of community groups outside of the Estate that —demonstrate a capacity to directly benefit and involve Catalina's residents.

#### Project Sponsorship

To provide sponsorship in return for the promotion of the Catalina Project that enhances and provides direct benefit to the Project.

#### Sponsorship Objectives

[The objectives of the Sponsorship Policy are consistent with the TPRC objectives and include the following:](#)

- Environmental sustainability - promote environmental sustainability and/or protection of the natural environment;
- Youth Development – positive guidance for children and young adults, encouraging development of skills and contribution to the community;
- Culture, recreation and healthy lifestyle – promote the provision of community sport, health and wellbeing initiatives, and creative expression of cultural identity;
- Education and training opportunities – workshops, networking and training to develop community skills;
- Awareness and/or promotion of the Catalina estate – enhance the profile of Catalina estate and promote its attributes; and
- Build community capacity – promote new and existing groups to achieve self-sustainability.

#### Sponsorship Examples

The following examples are provided as a general guide for —sponsorship:

##### a) Matching Sponsorship

Matching Sponsorship is where the applicant group/organisation contributes a matching sum (equal to that requested from TPRC).

Examples of suitable activities include:

- Sports workshops
- Community workshops
- Training (governance, volunteer recruitment etc.)
- Volunteer recruitment initiatives

##### b) Small Event Sponsorship

## POLICY MANUAL

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### Sponsorship Policy (November 2016)

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Sponsorship under the Small Event Category aims to assist community groups and organisations to deliver small-scale events within Catalina Estate.

Examples of suitable events include:

- Sporting events
- Movie nights
- Community networking events
- Arts / cultural displays

#### c) **Small Equipment Sponsorship**

The Small Equipment category assists with the purchase of equipment that provides a means for community groups and organisations to become more self-sustainable and/or more diverse in future.

Examples of suitable equipment include:

- BBQ
- Gazebo
- Signage
- Education equipment
- Stock for planting days
- Sporting equipment - allowing for more games / training

#### **Eligibility**

Sponsorship will only be made available to incorporated groups and organisations within the Catalina Estate, or to those located in communities immediately adjacent to the estate (e.g. Mindarie and Clarkson).

NOTE: The definition of an incorporated organisation (*incorporation*) is detailed at: <http://www.commerce.wa.gov.au/ConsumerProtection/Content/Business/Associations/index.htm>

For sponsorship by the TPRC, the applicant group/organisation and its application should satisfy the following criteria:

- Should be not-for-profit (to the organisation or individual members);
- Should be located within the Catalina Development, or any of its immediately adjacent suburbs;
- Must not have any outstanding sponsorship acquittal to TPRC;
- Must not be individuals pursuing personal activities;
- Must not be political campaigns and lobbying groups;
- Must not be religious organisations seeking sponsorship for religious purposes;
- Must not be retrospective sponsorship (for events already underway or completed);

## POLICY MANUAL

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### Sponsorship Policy ([November 2016](#))

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- Must not be an application for funds to cover a shortfall in revenue/expected revenue;
- Must not be ongoing or recurrent sponsorship - for permanent wages/salaries or standard operational costs (utilities, maintenance, stationery etc.).

#### TPRC Financial Implications

Funds for all approved community sponsorship applications will be sourced from the approved TPRC Budget. TPRC retains absolute discretion as to whether it supports an application for community sponsorship or project sponsorship.

The maximum amounts per organisation for each category of sponsorship are capped at the following amounts per annum:

Community Sponsorship	\$1,000
Project Sponsorship	\$2,000

#### Process

All the applications must meet the above eligibility criteria and must be submitted with a completed Request for Sponsorship Application Form (Appendix A). The form also addresses the method of submission. Applications submitted via any other method will not be considered by the TPRC.

The TPRC will evaluate the application against the assessment criteria. If successful, the TPRC will arrange for a formal agreement of the sponsorship to be made. Meeting the criteria and being eligible do not guarantee sponsorship will be granted.

Applicants that receive sponsorship from the TPRC are required to provide details of the sponsored program/event's completion in relation to the TPRC's contribution within 4 weeks of completion. In the event that the details are not received by the required deadline, the recipient group may be required to refund the full sponsorship amount to the TPRC.

#### Assessment Criteria

TPRC will assess sponsorship applications against the following criteria:

- 1. The applicant group must demonstrate a genuine capacity to responsibly manage, deliver and acquit the project/activity for which sponsorship is being sought.**

This can be demonstrated by:

- Describing past projects/activities that the groups has successfully delivered;



## POLICY MANUAL

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### Sponsorship Policy (November 2016)

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- Outlining the group's formal structure and proposed method of delivering the project, including the management and administration of funds.
2. **The proposed project must nominate a Sponsorship Category and address at least one of the Objectives outlined in this policy.**

The sponsorship proposal must demonstrate how the project is capable of delivering one of the sponsorship Objectives.

3. **The proposal must represent value for money.**

The applicant group must demonstrate that the proposed project will be delivered at a reasonable cost.

- ~~4. The applicant group should demonstrate the project's capacity to become self-sustainable in the future.~~

~~This can be demonstrated by: \_\_\_\_\_~~

- ~~• Detailing other partnership/funding arrangements applicable to the proposed project;~~
- ~~• Outlining strategies to engage additional stakeholders, during and following delivery of the proposed project;~~
- ~~• Describing how the sponsorship will enable provision of additional resources, and how these resources will be used.~~

#### Further information

Applicants who require any further information about the sponsorship process are encouraged to email [mail@tamalapark.wa.gov.au](mailto:mail@tamalapark.wa.gov.au).



# POLICY MANUAL

## Sponsorship Policy (November 2016)

### Annexure A – Request for Sponsorship Application Form

- Please tick box to confirm you have read and understand the TPRC’s Sponsorship Policy in conjunction with this form.

### Section A – Contact details

Organising body: .....

Contact person: .....

Position: .....

Address: .....

Phone: ..... Mobile: .....

Email: .....

ABN (if applicable): .....

Is your organisation incorporated?  Yes  No Other: .....

Is your organisation non-profit?  Yes  No Other: .....

### Section B – Sponsorship details

Sponsorship name: .....

Date: .....

Venue and address: .....

Brief description of the sponsorship purpose:

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## POLICY MANUAL

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### Sponsorship Policy ([November 2016](#))

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#### Declaration

I, the undersigned, declare the information provided to be a correct and honest description of our organisation and the project or event for which funding is being sought.

Successful applications will be entirely responsible for any indemnities and insurance required for the project/event. Tamala Park Regional Council accepts no liability for any accidents or negligence resulting in a claim or demand arising from the sponsored project or event and excludes all such liability to the fullest extent permitted by law. Volunteers involved in any sponsored project or event must be covered by their own insurance or organisers' insurance.

Signed: .....

Please send your completed application form to:

Tamala Park Regional Council  
Attention to: Project Coordinator  
PO Box 655  
Innaloo WA 6918  
[mail@tamalapark.wa.gov.au](mailto:mail@tamalapark.wa.gov.au)

# **Appendix 9.11**



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## Management Committee Terms of Reference/Delegations (December 2016)

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1. Recommending to Council the Project Annual Plan, Project Budget and Project Milestones.
2. The establishment and variation of key performance indicators which will be used to measure the performance of the Development Manager.
3. Monitoring the Approved Project budget (including any proposed variations to the Approved Project Budget).
- ~~3-4.~~ Approval of variations to the Approved Project budget, providing the variations are consistent with TPRC objectives and do not significantly impact on Budget Cashflow.
- ~~4-5.~~ Stage-by-stage cost determination and review.
- ~~5-6.~~ Recommending to Council and Monitoring the Project's strategies, plans or concepts.
- ~~6-7.~~ Monitoring the marketing and sales program for the Project.
- ~~7-8.~~ Approval of sales schedules (including pricing) prior to the sales release of a stages of the Project.
- ~~8-9.~~ Approval of cContracts to be entered into by any party with a value less than \$3,000,000, subject to Budget provision and consistent with TPRC objectives.-
10. Monitoring the Approved Project Program (including any proposed variations to the Approved Project Program).
- ~~9-11.~~ Approval of variations to the Approved Project Program, providing the variations are consistent with TPRC objectives and do not significantly impact on Budget Cashflow.
- ~~10-12.~~ Approval to tThe appointment of Project consultants and contractors with a value less than \$3,000,000, subject to Budget provision and consistent with TPRC objectives.
- ~~11-13.~~ The location of Sstages of subdivision including the number of lots, Display Village(s)- including lot (sizes and configuration, mix and locat~~ions.#ty).~~
- ~~12-14.~~ Approval to the lodgement of Subdivision Applications with the Western Australian Planning Commission.
- ~~13-15.~~ Approval of marketing strategy and program.
- ~~14-16.~~ Monitoring the implementation of TPRC objectives.

---

Adopted by Council: ~~10-8~~ December ~~2015~~2016

Page 1



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**Management Committee  
Terms of Reference/Delegations  
(December 20165)**

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- ~~14.1~~ Generally monitor the performance of the Development Manager.
- ~~14.2~~ Generally progress the Project.
- 17. Monitoring the performance of the Development Manager.
- 18. Monitoring the progress of the Project.
- ~~15.19.~~ Provide regular confidential updates on progress of the Project to the Council.
- 20. Approval of the sales procedures for sales releases of methods for the sale of project stages, from the sales procedures approved by the Council.
- ~~16.21.~~ Approval of Tenders with a value less than \$3,000,000, providing consistent with TPRC objectives and have a Budget allocation.

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# **Appendix 9.12**

Mr Tony Arias  
Chief Executive Officer  
Tamala Park Regional Council  
Unit 2, 369 Scarborough Beach Road  
INNALOO WA 6018

Dear Mr. Arias

**RE: CATALINA ESTATE – COMMUNITY BATTERY STORAGE FACILITY**

SPG committed to provide a report for the December Council meeting to detail if the battery storage concept would be commercially viable and has the potential to deliver best practice in line with TPRC's objectives for innovations and sustainability to be considered for introduction into the Catalina Estate. In accordance with this commitment, it is requested that the Tamala Park Regional Council consider this submission regarding a potential community battery storage facility within Catalina Beach and / or Catalina Grove.

A community battery storage facility works as follows:

- Solar panels convert sunlight to DC (Direct Current) electricity.
- Any surplus DC electricity charges the Community Battery located within the storage facility.
- The inverter converts the DC electricity to AC (Alternating Current) for use in the home.
- The inverter can also convert AC to DC to charge the PowerWall using cheap off-peak mains power.

A community battery storage facility has recently been trialled at the Alkimos Beach Estate. The Australian Renewable Energy Agency, who contributed towards the funding of the Alkimos Beach facility advise that the project will result in:

- design, manufacture and installation a fully contained lithium ion energy storage system of approximately 250 kilowatts peak / 1.1 megawatt-hours;
- installation of an Energy Smart Home Package in at least 100 homes; and
- develop and test at least three new electricity retail products.



The Alkimos Beach trial, will cost in the order of \$6.7 million over four years and is the first of its kind in Australia, is a collaborative agreement between Synergy, Lend Lease and LandCorp. Synergy has accessed funding of \$3.3 million from the Australian Renewable Energy Agency (ARENA) for the trial. The initiative has created good publicity for the Alkimos Beach Estate and contributed toward the achievement of a 6 leaf Enviro Development accreditation. The Alkimos Synergy Community Battery Storage facility operates as follows:

- Alkimos residents have option to participate.
- During the day, each house has solar PV cells that converts solar energy into electricity. This electricity generated is stored as a virtual credit.
- During peak demand (4pm – midnight) the electricity rate is nearly doubled that of off peak.
- The participating residents of the Synergy buyback scheme will have their peak costs offset by their virtual credit.
- During off peak (midnight – 4pm) the Synergy battery will charge off the grid.
- Alkimos residents are charged at the off peak rate (25.06c/unit) instead of the peak rate (47.85c/unit) for all virtual credits they store, regardless of when the energy is consumed.

Synergy have advised that the Alkimos model was a test model and has proven not to be economical due to the high cost of the batteries. The cost of the batteries significantly impacts on the feasibility of undertaking a similar battery storage facility within Catalina. At a time when battery technology has reached a stage that this system would be useful, most houses will have the option to have their own battery system installed as part of their residential solar panel packages.

Synergy have described battery storage as the most significant technological change after solar PV. However, the price of batteries needs to fall to make this technology commercially viable.

The Satterley Property Group does not consider that the Tamala Park Regional Council should consider the implementation of a community battery storage facility for Catalina Beach or Catalina Grove. Should TPRC wish to proceed with tendering the services of a solar panel service provider for residents, consideration may be given for systems capable of being connected to a localised battery unit in the future should the home owner wish to invest in this infrastructure (through the provision of a battery ready inverter).

The Satterley Property Group are progressing a series of communications to be presented to residents advising them of the availability of solar and other environmentally based rebates. It is anticipated that this communication will be rolled out in December 2016 with an outlook to increase participation by residents in current sustainability initiatives.

Should you have any queries or require additional information, please do not hesitate to contact the undersigned at your convenience.

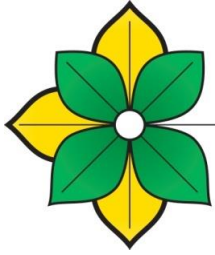
Kind Regards



Lauren Vidler

**DEVELOPMENT MANAGER**

# **Appendix 9.14**



**TAMALA PARK**  
Regional Council

## Annual Report 2015/16



**Tamala Park Regional Council**  
Unit 2/369 Scarborough Beach  
Road, Innaloo WA 6018  
T: (08) 9205 7500  
E: [mail@tamalapark.wa.gov.au](mailto:mail@tamalapark.wa.gov.au)

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## Contents

Contents .....1

Background.....2

Message from the Chairman .....3

Message from the Chief Executive Officer .....4

Governance .....5

Committee Membership .....7

Attendance at Meetings by Council Members.....9

Year 2015/16 Under Review .....10

Council Activity.....10

Distribution to Participating Councils.....11

Infrastructure & Land Use Changes in 2015/16 Impacting Tamala Park Planning & Development .....12

TPRC Local Structure Plan .....13

Environmental Management .....15

Key Activities 2016/17 .....16

Annual Financial Report (including Audit Report).....17

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## Background

The Tamala Park Regional Council (TPRC) is a local government formed in 2006 specifically to implement the urban development of 180 hectares of land situated in the City of Wanneroo. The land is jointly owned by 7 local governments.

Tamala Park Regional Council comprises the following 7 local government members:



- Town of Cambridge
- City of Joondalup
- City of Perth
- City of Stirling
- Town of Victoria Park
- City of Vincent
- City of Wanneroo

The purpose of the Tamala Park Regional Council is to undertake the rezoning, subdivision, development, marketing and sale of the Tamala Park land.

The objectives of the TPRC are:

- to develop and improve the value of the Land;
- to maximise, within prudent risk parameters, the financial return to the Participants;
- to balance economic, social and environmental issues; and
- to produce a quality development demonstrating the best urban design and development practice.

The Tamala Park Project, marketed as Catalina, will be a new urban development in the suburbs of Clarkson and Mindarie and will comprise around 2,500 lots. It is anticipated to be developed at a rate of approximately 200 lots per annum.

The Tamala Park Project will facilitate a range of housing types and densities to meet the emerging needs of the Perth Metropolitan Region with respect to lifestyle, accessibility and changing demography. It is intended to create a community having a sense of place, which takes advantage of prevailing natural features, a well-planned built environment and relationship with existing and future retail, business, community services and other employment opportunities in the immediate locality and wider region.

When the land is fully developed the TPRC will have completed its Charter and will cease to exist.

The life of the Council is currently projected to extend to 2029.



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## Message from the Chairman

This is the eighth annual report of the Tamala Park Regional Council (TPRC).

The Council comprises 12 members nominated by the 7 owner local governments according to ownership shares. The Regional Council operates under the Local Government Act in the same manner as other local governments. An Establishment Agreement between the local government participants deals with equity issues and Council decision-making.

The focus over the last 12 months has been to consolidate the Tamala Park Project, known as the Catalina Estate, as a significant urban project in Perth's north coast by continued construction, marketing and sale of residential lots.



There has been considerable construction activity at Catalina during financial year 2015/16 with large stages of bulk earthworks, a number of stages of civil construction works, landscape works and housing construction being undertaken. The Project is now a major local employment centre for the region.

Significant landscape works were undertaken during the last twelve months helping to transform the site, demonstrate the quality of the Catalina Estate and provide important amenities for residents.

The Sales and Marketing program for the Project has been successful with 770 lots sold to 30 June 2016 with a value of over \$194M, which I consider an excellent result.

Importantly the Council continues to cover all operating expenses through investment and land sales income. During the year the Council made a \$15M distribution of income from land sales to participant local governments.

A handwritten signature in black ink that reads "Giovanni Italiano JP". The signature is fluid and cursive.

Cr Giovanni Italiano JP  
**CHAIRMAN**



---

## Message from the Chief Executive Officer

This year was a difficult year for the land development industry in Western Australia as a result of declining economic confidence. The TPRC still undertook major planning, construction, landscaping, marketing and sales programs at Catalina, in accordance with approved risk minimization strategies. The Phase 1 Bulk Earthworks for the Catalina Beach Precinct were completed, which marked another milestone for the Project. Civil works for Stages 15 and 18 were completed.



The level of construction activity at Catalina reflected a prudent approach to the soft land sales market.

The Sales and Marketing program for 2015/16 resulted in 93 residential lot sales at an average sale price of \$277,913 and 112 lot settlements with a value of \$30.5M.

The marketing strategy continued the Catalina branding and the promotion of the Catalina Builders Display Village and Land Sales Office. The Catalina Builders Display Village No. 2 opened in February 2016 showing contemporary homes by Perth's leading builders.



The Catalina Telethon Home was completed in September 2015 and successfully auctioned in October 2015. The Catalina Telethon Home was a quality a two-storey design charity home. A significant marketing campaign was undertaken to promote the Home and the Catalina Estate, including television, radio and press advertisements and advertorials. It is estimated that over 7,000 persons visited the Estate during the Catalina Telethon Home construction and viewing period.

The Council also continued to implement the following important environmental programs during 2015/16:

- Fauna relocation in Bulk Earthworks areas;
- Grass tree and Zamia Palms relocation;
- Rehabilitation of Biodiversity Conservation Area (Stage);
- Seed collections from significant flora areas; and
- Builders Waste Recycling Program.

A handwritten signature in black ink that reads "Tony Arias". The signature is written in a cursive, slightly slanted style.

Mr Tony Arias  
**CHIEF EXECUTIVE OFFICER**



---

## **Governance**

### **Audit Committee**

The Audit Committee is formally appointed by the Council and assists in ensuring that there are effective and best practice accounting, auditing, internal control, business risk management, compliance and reporting systems, processes and practices. The Audit Committee did not identify any adverse findings for the financial year.

### **Council Appointed Auditor**

The Council appointed Independent Auditors (Butler Settineri) is required to report on the financial position of the local government and the operations of the local government. The Council appointed Auditor did not make any adverse comments in its report.

### **Local Government Compliance Audit Report**

All local governments are required to carry out an annual compliance audit for the period 1 January to 31 December as required by the Department of Local Government and Communities. The 2016 Compliance Audit Return was approved by Council on 18 February 2016 and a certified copy of the return was submitted to the Director General of the Department of Local Government and Communities.

### **Competition Policy**

The TPRC has met its obligations with regard to competition policy. The Council has no local laws or policies that reflect anti-competitive practice. No complaints have been received by the TPRC in 2015/16 in relation to anti-competitive practices.

### **Recordkeeping Plan Required under the State Records Act**

A Recordkeeping Plan meeting the requirements of the State Records Office was approved at its meeting on 8 April, 2011. The State Records Commission approved the amended Plan. The TPRC is currently reviewing the Plan which is to be submitted to the State Records Office by 30 December 2016.

### **Disability Services Plan**

Local governments are required to prepare a Disability Services Plan in accordance with prescribed standards for public access and infrastructure. The Plan is required to be submitted to the Disability Services Commission with project timetables that must be approved by the Commission.

The Tamala Park Regional Council does not currently have responsibilities that require reporting under the Disability Services Act. In consequence, there has been no Plan prepared or required.

Disability access matters will be incorporated in the design of the TPRC urban development and will become the responsibility for the City of Wanneroo as the local authority responsible for the area covering the Catalina development.

---

## **Financial Budget Review**

A formal review of the TPRC budget is required in the manner prescribed under the Local Government Act 1995 between 1 January and 31 March each year. The review was undertaken in February 2016 and no adverse findings or matters of consequence were found during the review. The Council considered the review and resolved to adopt the review at its meeting on 18 February 2016.

## **Strategic Community Plan 2013-2023**

The Department of Local Government's Integrated Planning and Reporting Framework, requires all local governments to prepare a Strategic Community Plan. The TPRC approved the Strategic Community Plan 2013-2023 at its meeting held on the 20 June 2013.

## **Corporate Business Plan 2013-2017**

The Department of Local Government's Integrated Planning and Reporting Framework, requires all local governments to prepare a Corporate Business Plan in consultation with its community and stakeholders. The TPRC approved the Corporate Business Plan 2013-2017 at its meeting held on 20 June 2013. The corporate Business Plan is to be reviewed in 2017.

## **Local Government (Rules of Conduct) Regulations 2007**

These regulations require reporting various offences by Council Members. Council Members must comply with their obligations under the Local Government Act 1995. In 2015/16 no complaints were received concerning Council Members.

## **Code of Conduct**

The Council's Code of Conduct prescribes the standard of conduct and behaviour expected of the Council Members and all Employees. The Code is required to be reviewed annually and was re-adopted on 18 February 2016.

## **Register of Financial Interests for Council Members and Senior Employees**

The requirements of the Local Government Act 1995 in reporting the financial interests of Council Members and Senior Staff were complied with. This register was implemented on 1 July 1997 in accordance with the requirements of the Local Government Act 1995 and is available for viewing by the public.

## **Freedom of Information Act**

The Council is subject to the provisions of the Freedom of Information Act 1994. The Act gives individuals and organisations a general right of access to information held by the Council. The Council has not received any requests under the Freedom of Information Act during 2015/2016.

## **Complaints Register**

There were no complaints received during 2015/2016.

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## Committee Membership



**Chairman**  
*Cr Giovanni Italiano*  
**City of Stirling**

CEO Performance Review  
Committee  
Management Committee



**Deputy Chairman**  
*Cr Dianne Guise*  
**City of Wanneroo**

Management Committee



*Cr Karen Caddy*  
**City of Stirling**  
(Joined November 2015)

Audit Committee



*Cr John Carey*  
**City of Vincent**



*Cr Louis Carr*  
**Town of Cambridge**

Audit Committee



*Cr John Chester*  
**City of Joondalup**

Management Committee



*Cr Janet Davidson*  
**City of Perth**

Audit Committee



*Cr Keith Hayes*  
**Town of Victoria Park**  
(Joined November 2015)

Management Committee



*Cr Kerry Hollywood*  
**City of Joondalup**  
(Joined November 2015)

CEO Performance Review  
Committee



*Cr David Michael*  
**City of Stirling**

Audit Committee

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**Committee Membership (continued)**



*Cr Brett Treby*  
**City of Wanneroo**

CEO Performance Review  
Committee  
Management Committee



*Cr Rod Willox*  
**City of Stirling**

Audit Committee  
CEO Performance Review  
Committee

**Retired November 2015**



*Cr Tom McLean*  
**City of Joondalup**

Audit Committee



*Cr Terry Tyzack*  
**City of Stirling**

Audit Committee  
CEO Performance Review  
Committee



*Cr Trevor Vaughan*  
**Town of Victoria Park**

CEO Performance Review  
Committee

## Attendance at Meetings by Council Members

Meeting attendances by Council members for 2015/16 are shown in the table below:

Councillor	Council (8)	Audit (3)	CEO Performance Review (5)	Management (5)
Cr Karen Caddy	6 (6)	1 (1)		
Cr John Carey	5 (8)		1 (3)	
Cr Louis Carr	8 (8)	3 (3)		
Cr John Chester	8 (8)			2 (3)
Cr Janet Davidson	6 (8)	1 (2)	2 (3)	
Cr Dianne Guise	8 (8)	0 (1)		3 (5)
Cr Keith Hayes	6 (6)			1 (3)
Cr Kerry Hollywood	6 (6)		2 (2)	
Cr Giovanni Italiano	8 (8)		5 (5)	4 (5)
Cr Tom McLean	2 (2)	2 (2)		2 (2)
Cr David Michael	6 (8)	2 (3)		2 (2)
Cr Brett Treby	7 (8)		3 (5)	4 (5)
Cr Terry Tyzack	1 (2)	2 (2)	3 (3)	
Cr Trevor Vaughan	1 (2)		0 (3)	
Cr Rod Willox	8 (8)		1 (2)	2 (2)
Cr Jimmy Murphy (as alternate member)	1			
Cr Elizabeth Re (as alternate member)	1			

### Notes

- Crs Tom McLean, Terry Tyzack and Trevor Vaughan retired from the TPRC in November 2015.
- Crs Karen Caddy, Keith Hayes and Kerry Hollywood were appointed to the TPRC in November 2015.
- Cr Jimmy Murphy was alternate member for Cr John Carey at the special meeting of Council on 3 March 2016.
- Cr Elizabeth Re was alternate member for Cr Terry Tyzack at the ordinary meeting of Council on 13 August 2015.

## Year 2015/16 Under Review

### Council Activity

The current Council comprises 12 members which are elected by constituent local authorities following the ordinary bi-annual Council elections. There have been 6 changes in Council membership during the year.

During the year the Council has held 6 ordinary bi-monthly Council meetings, 2 special Council meetings and the following Committee meetings:

- Audit Committee — 3 meetings
- CEO Performance Committee — 5 meetings
- Management Committee — 5 meetings



### Member Local Governments' Equity

The following reflects the member local governments' equity in the Tamala Park Project.

	2012/13	2013/14	2014/15	2015/16
TOC Contributed Equity	2,334,462	3,535,548	4,007,856	4,103,229
COP Contributed Equity	2,334,462	3,535,548	4,007,856	4,103,229
TOVP Contributed Equity	2,334,462	3,535,548	4,007,856	4,103,229
COV Contributed Equity	2,334,462	3,535,548	4,007,856	4,103,229
COJ Contributed Equity	4,668,926	7,071,097	8,015,711	8,206,459
COW Contributed Equity	4,668,926	7,071,097	8,015,711	8,206,459
COS Contributed Equity	9,337,848	14,142,194	16,031,422	16,412,917
<b>TOTAL EQUITY</b>	<b>28,013,548</b>	<b>42,426,580</b>	<b>48,094,266</b>	<b>49,238,752</b>



## Employee Remuneration

The *Local Government Act 1995* requires that the Council provides information relating to the number of employees entitled to a salary of \$100,000 or more.

This information is presented below:

Salary Range	No.
100-110K	1
300-310K	1
<b>TOTAL</b>	<b>2</b>



## Distribution to Participating Councils

The TPRC made a \$15M distribution (Return of Contribution) from land sales income to the seven participating local governments.

The TPRC has not exercised its option under the Establishment Agreement to require Councils to transfer their shares in the landholding jointly held by Councils at Tamala Park. Individual Councils continue to pay municipal rate levies to City of Wanneroo and the TPRC has decided to reimburse the Councils for an amount equivalent to rates paid from retained earnings.

Distributions for 2014/15 and 2015/16 are shown below:

Participant Council	Rates Reimbursement		Return of Contribution	
	2014/15	2015/16	2014/15	2015/16
Town of Cambridge	35,214	25,838	2,583,334	1,249,999
City of Perth	35,214	25,838	2,583,334	1,249,999
Town of Victoria Park	35,214	25,838	2,583,334	1,249,999
City of Vincent	35,214	25,838	2,583,334	1,249,999
City of Joondalup	70,426	51,676	5,166,666	2,500,001
City of Wanneroo	70,426	51,676	5,166,666	2,500,001
City of Stirling	140,854	103,352	10,333,334	5,000,002
<b>TOTAL</b>	<b>422,562</b>	<b>310,056</b>	<b>31,000,000</b>	<b>15,000,000</b>

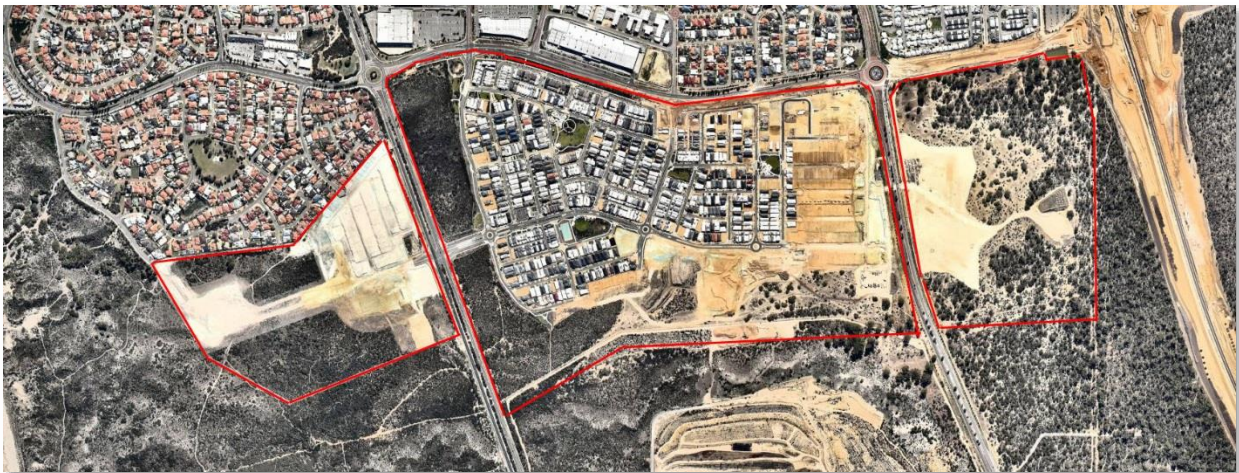
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## Infrastructure & Land Use Changes in 2015/16 Impacting Tamala Park Planning & Development

The land is surrounded by the residential areas of Burns Beach, Kinross, Clarkson and Mindarie and is within one of the fastest growing regions in Australia.

The residential lot market has slowed over the last 12 months with a decline in sales and buyers' interest when compared to the previous 12 months. Significant development is occurring at Butler, Jindalee, Eglinton and Yanchep Two Rocks. Residential lot sales are continuing within this area.

Lot sales have continued within the Peet & Co Burns Beach subdivision to the south-west with substantial new housing under construction.



The infrastructure from Clarkson to the rail and bus stations is now well defined and there continues to be consolidation of commercial and business activity within the rail station precinct.

Within the Clarkson commercial centre the development of light industry and commercial businesses has continued, consolidating the area as an area for local employment. A new Bunning's store has opened fronting Neerabup Road.

Works on the extension of the Mitchell Freeway commenced in May 2015 and are anticipated to be completed by the end of 2017.

The Freeway extension works from Burns Beach Road to Hector Avenue, including the construction of Neerabup Road between Connolly Drive and Wanneroo, provide significant benefits to the Catalina Project such as enhanced access to employment hubs including the Neerabup Industrial Park and Joondalup.

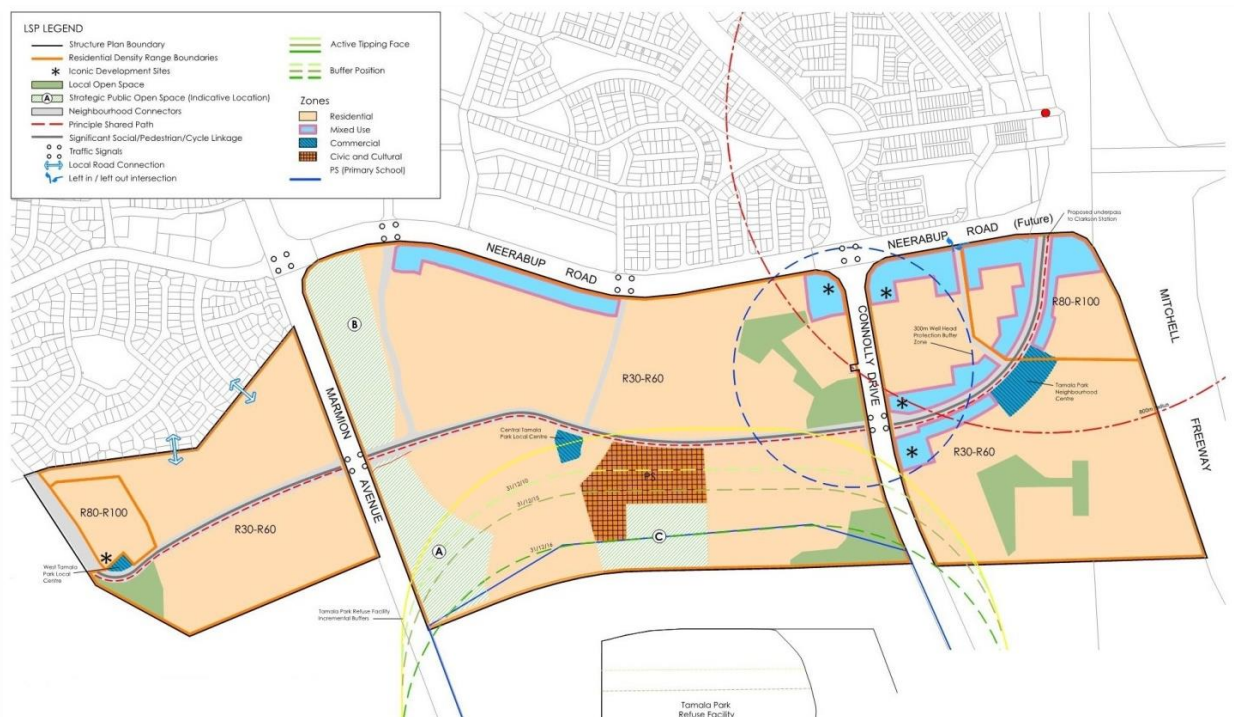


## TPRC Local Structure Plan

In 2013 the Tamala Park Local Structure Plan was formally approved. The land subject of the Structure Plan is shown in the diagram below.

Key aspects of the Local Structure Plan include:

- Providing for the orderly distribution of residential density and a range of housing types that address changing demographics and the needs of future populations within the north-west sector of the Perth Metropolitan Region.
- Providing for sustainable environmental outcomes with respect to such matters as water use, energy efficiency, conservation and transport, while taking advantage of natural features and views.
- Providing active commercial centres and community hubs that meet the daily and weekly needs of residents and provide employment opportunities that are co-located with local recreation and community facilities.
- Providing an appropriate urban design response in recognition of adjoining public transport infrastructure.
- A high level of linkage both within and beyond the boundaries of the Tamala Park landholding to commercial centres, coastal reserves and transport nodes via cycle and pedestrian access, public transport and private vehicle.
- Addressing the forecast demand for a variety of community services and social infrastructure.



The major land use elements of the Local Structure Plan are set out as follows:-

Precincts	West	Central West	Central East	Eastern Precinct	Total	
Area	HA	HA	HA	HA	HA	%
Residential	21.03	22.33	21.03	23.89	88.28	49.54%
Mixed use			2.50	5.71	8.21	4.61%
Centre	0.16	0.70		0.90	1.76	0.99%
Business		2.08			2.08	1.17%
Active/Passive POS	1.02	0.91	3.28	3.27	8.48	4.76%
School			5.0		5.00	2.81%
Green Link	1.38	1.2	0.61	0.92	4.11	2.31%
Conservation Reserves		11.57			11.57	6.49%
Roads	8.82	11.67	15.09	13.14	48.72	27.34%
<b>Total (inc Roads)</b>	<b>32.41</b>	<b>50.46</b>	<b>47.51</b>	<b>47.83</b>	<b>178.21</b>	<b>100%</b>

The Local Structure Plan envisages a central link connecting the Clarkson rail and bus stations under Neerabup Road through the entire east/west extent of the development. All residential land in the development will be within 400m of the central greenlink which will connect to public amenities including a primary school.

A mixed use zone has been created close to the Clarkson rail station and the junction of Neerabup Road and Mitchell Freeway.



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## Environmental Management

A Mitigation and Offset Management Plan was approved by the Department of Sustainability, Environment, Water, Population and Communities (SEWPAC) under the EPBC Act. The TPRC was required to prepare a mitigation strategy outlining measures to avoid or reduce impacts to Carnaby's Black Cockatoo and Graceful Sun Moth. The TPRC has begun the implementation of the SEWPAC conditions, which includes the following:

- Purchase of an Offset site for Carnaby's Black Cockatoo foraging, habitat and breeding;
- Rehabilitation and fencing of Biodiversity Conservation Area;
- Seed collection and storage from prescribed areas; and
- Preparation of Audit and Compliance report.

An Environmental Management Plan (EMP) has been approved by the EPA which provides management and mitigation measures for impacts of the proposed Tamala Park Development on biodiversity assets and values of the area.



The EMP is intended to accompany the Local Structure Plan and to address the specific Ministerial Conditions set for the development. These conditions are summarized as follows:



- Management of remnant vegetation whilst strengthening links between the coast and the Neerabup National Park;
- Specially protected fauna species;
- Fire management;
- Management of public access to the areas reserved for conservation and recreation;
- Recommendations for revegetation; and
- Recommendations for public education and awareness of the natural environment.



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## Key Activities 2016/17

Project	Timeframe
<b>Implementation of Environmental Approval Conditions - Environmental Protection &amp; Biodiversity Conservation Act (EPBC Act)</b> The Project's EPBC Act approval stipulates a number of conditions. These conditions, including the retention of Bushland Conservation Areas have commenced implementation and will continue to be implemented as the Project progresses.	2016-2017 and ongoing
<b>Implementation of Subdivision Approvals</b> The Council will progressively implement the Subdivision Plan approval for Stages 14C - 18 (195 lots) in the Central Precinct, and the subdivision of Stages 25 - 27 (189 lots) in Catalina Beach. A further subdivision application for 200 lots will be prepared for the first stages of the Catalina Grove Precinct.	2016-2017
<b>Project Marketing and Branding</b> Various initiatives are to be implemented throughout the year to promote the Catalina Project and the sales releases. Key marketing initiatives will be the upgrade of Estate signage and promotion of Catalina Beach.	2016-2017 and ongoing
<b>Bulk Earthworks</b> Completion of bulk earthworks for the Central Precinct, including the Primary School Site and Public Open Space, and extension of the Western Precinct bulk earthworks are to be undertaken.	2016-2017
<b>Civil Construction Works</b> In the Central Precinct civil construction of Stages 17A (29 Lots) is expected to be undertaken during the year. The first civil construction stage in the Catalina Beach Precinct is also expected to commence, producing 59 lots including 15 display home lots in Stage 25.	2016-2017
<b>Catalina 2<sup>nd</sup> Builders Display Village</b> The 2 <sup>nd</sup> Builders Display Village comprises 23 homes and will attract significant interest to Catalina and will continue to operate as the key focus for the Catalina Project. The Village opened in February 2016 and will remain open until October 2018 as per the approval.	2016-2017
<b>Landscaping Works</b> Significant landscape works are to be undertaken during the year including Stages 12 and 13 Greenlink verges. Completion of rehabilitation and pathways for the Biodiversity Conservation Area. Catalina Beach POS, Marmion Avenue landscaping and the entrance statement are also planned for FYE 2017.	2016-2017
<b>Sale of Residential Lots</b> The Sales program anticipates 119 lot sales for 2016/17.	2016-2017

Annual Financial Report (including Audit Report)



**TAMALA PARK REGIONAL COUNCIL**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Notes to and Forming Part of the Financial Report	9-34
Independent Audit Report	35
Supplementary Ratio Information	37

Principal place of business:  
Tamala Park Regional Council  
PO Box 655  
INNALOO  
WA 6918

**TAMALA PARK REGIONAL COUNCIL  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

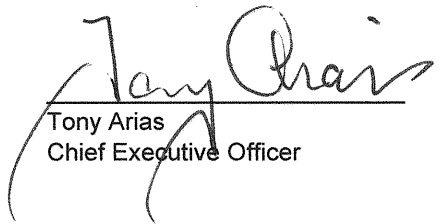
**LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Regional Council being the annual financial report and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the Regional Council at 30th June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the

1st day of September 2016

  
Tony Arias  
Chief Executive Officer

**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>				
Interest earnings	2(a)	1,435,795	958,606	1,459,506
Other revenue		<u>5,700</u>	<u>1,937</u>	<u>12,926</u>
		<u>1,441,495</u>	<u>960,543</u>	<u>1,472,432</u>
<b>Expenses</b>				
Employee costs		(593,993)	(727,610)	(598,053)
Materials and contracts		(138,115)	(443,517)	(140,286)
Utility charges		(457)	(6,150)	(457)
Depreciation on non-current assets	2(a)	(17,259)	(17,797)	(16,250)
Insurance expenses		(10,152)	(17,323)	(12,967)
Other expenditure		<u>(160,023)</u>	<u>(175,971)</u>	<u>(199,701)</u>
		<u>(919,999)</u>	<u>(1,388,368)</u>	<u>(967,714)</u>
		521,496	(427,825)	504,718
Loss on revaluation of non current assets	2(a)	(21,651)	0	0
Profit on asset disposals	19	<u>0</u>	<u>0</u>	<u>956</u>
<b>Net result</b>		<b>499,845</b>	<b>(427,825)</b>	<b>505,674</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	11	(1,164)	0	0
<b>Total other comprehensive income</b>		<u>(1,164)</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive income</b>		<u><b>498,681</b></u>	<u><b>(427,825)</b></u>	<u><b>505,674</b></u>

This statement is to be read in conjunction with the accompanying notes.



**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>Revenue</b>				
General purpose funding	2(a)	1,435,795	958,606	1,459,506
Other property and services		5,700	1,937	12,926
		<u>1,441,495</u>	<u>960,543</u>	<u>1,472,432</u>
<b>Expenses</b>				
Governance	2(a)	(158,354)	(175,663)	(161,533)
Other property and services		(783,296)	(1,212,705)	(806,181)
		<u>(941,650)</u>	<u>(1,388,368)</u>	<u>(967,714)</u>
<b>Profit/(Loss) on disposal of assets</b>				
Other property and services	19	<u>0</u>	<u>0</u>	<u>956</u>
<b>Net result</b>		<b>499,845</b>	<b>(427,825)</b>	<b>505,674</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	11	(1,164)	0	0
<b>Total other comprehensive income</b>		<u>(1,164)</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive income</b>		<u><u>498,681</u></u>	<u><u>(427,825)</u></u>	<u><u>505,674</u></u>

This statement is to be read in conjunction with the accompanying notes.

**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2016**

	NOTE	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	47,135,952	46,060,590
Trade and other receivables	4	<u>404,508</u>	<u>389,124</u>
<b>TOTAL CURRENT ASSETS</b>		<u>47,540,460</u>	<u>46,449,714</u>
<b>NON-CURRENT ASSETS</b>			
Inventories	5	1,800,000	1,818,182
Property, plant and equipment	6	<u>131,368</u>	<u>151,943</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,931,368</u>	<u>1,970,125</u>
<b>TOTAL ASSETS</b>		<u>49,471,828</u>	<u>48,419,839</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	73,175	191,738
Provisions	9	<u>121,431</u>	<u>102,906</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>194,606</u>	<u>294,644</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	<u>56,652</u>	<u>30,931</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>56,652</u>	<u>30,931</u>
<b>TOTAL LIABILITIES</b>		<u>251,258</u>	<u>325,575</u>
<b>NET ASSETS</b>		<u>49,220,570</u>	<u>48,094,264</u>
<b>EQUITY</b>			
Retained surplus		0	0
Members contributions	10	49,214,217	48,086,747
Revaluation surplus	11	<u>6,353</u>	<u>7,517</u>
<b>TOTAL EQUITY</b>		<u>49,220,570</u>	<u>48,094,264</u>

This statement is to be read in conjunction with the accompanying notes.

**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	RETAINED SURPLUS \$	CONTRIBUTED EQUITY \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2014</b>		<b>0</b>	<b>42,419,063</b>	<b>7,517</b>	<b>42,426,580</b>
Comprehensive income					
Net result		505,674	0	0	505,674
Total comprehensive income		<u>505,674</u>	<u>0</u>	<u>0</u>	<u>505,674</u>
Distribution to Members		(505,674)	505,674		
Members Contributions		0	36,162,010	0	36,162,010
Return of Capital		0	(31,000,000)	0	(31,000,000)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balance as at 30 June 2015</b>		<b>0</b>	<b>48,086,747</b>	<b>7,517</b>	<b>48,094,264</b>
Comprehensive income					
Net result		499,845	0	0	499,845
Changes on revaluation of non-current assets	11	0	0	(1,164)	(1,164)
Total comprehensive income		<u>499,845</u>	<u>0</u>	<u>(1,164)</u>	<u>498,681</u>
Distribution to Members		(499,845)	499,845	0	
Members Contributions		0	15,627,625	0	15,627,625
Return of Capital		0	(15,000,000)	0	(15,000,000)
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balance as at 30 June 2016</b>		<b><u>0</u></b>	<b><u>49,214,217</u></b>	<b><u>6,353</u></b>	<b><u>49,220,570</u></b>

This statement is to be read in conjunction with the accompanying notes.

**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 \$	2016 Budget \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Interest earnings		1,422,836	1,147,730	1,459,506
Goods and services tax		143,158	0	142,676
Other revenue		6,068	1,937	353,545
		<u>1,572,062</u>	<u>1,149,667</u>	<u>1,955,727</u>
<b>Payments</b>				
Employee costs		(547,427)	(727,610)	(553,558)
Materials and contracts		(258,998)	(485,253)	(530,790)
Utility charges		(457)	(6,150)	(457)
Insurance expenses		(10,152)	(17,323)	(12,967)
Goods and services tax		(145,951)	0	(145,951)
Other expenditure		(160,023)	(175,971)	(199,701)
		<u>(1,123,008)</u>	<u>(1,412,307)</u>	<u>(1,443,424)</u>
<b>Net cash provided by (used in) operating activities</b>	12(b)	<u>449,054</u>	<u>(262,640)</u>	<u>512,303</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,317)	(25,000)	(65,303)
Proceeds from sale of fixed assets		0	0	38,182
<b>Net cash provided by (used in) investment activities</b>		<u>(1,317)</u>	<u>(25,000)</u>	<u>(27,121)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from members contributions		15,937,684	42,402,937	36,584,572
Repayment of members contributions		(15,310,059)	(65,981,203)	(31,422,562)
<b>Net cash provided by (used in) financing activities</b>		<u>627,625</u>	<u>(23,578,266)</u>	<u>5,162,010</u>
<b>Net increase (decrease) in cash held</b>		1,075,362	(23,865,906)	5,647,192
Cash at beginning of year		46,060,590	46,060,590	40,413,398
<b>Cash and cash equivalents at the end of the year</b>	12(a)	<u><u>47,135,952</u></u>	<u><u>22,194,684</u></u>	<u><u>46,060,590</u></u>

This statement is to be read in conjunction with the accompanying notes.

**TAMALA PARK REGIONAL COUNCIL  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Revenue from operating activities</b>				
General purpose funding		1,435,795	958,606	1,459,506
Other property and services		5,700	1,937	13,882
		<u>1,441,495</u>	<u>960,543</u>	<u>1,473,388</u>
<b>Expenditure from operating activities</b>				
Governance		(158,354)	(175,663)	(161,533)
Other property and services		(783,296)	(1,212,705)	(806,181)
		<u>(941,650)</u>	<u>(1,388,368)</u>	<u>(967,714)</u>
<b>Net result excluding rates</b>		499,845	(427,825)	505,674
<b>Adjustments for cash budget requirements:</b>				
<b>Non-cash expenditure and revenue</b>				
Fair value adjustment to non current assets		21,651	0	0
(Profit)/Loss on asset disposals	19	0	0	(956)
Movement in employee benefit provisions (non-current)		25,721	0	14,670
Depreciation and amortisation on assets	2(a)	17,259	17,797	16,250
<b>Capital Expenditure and Revenue</b>				
Purchase of furniture and equipment	6(b)	(1,317)		0
Purchase plant and equipment		0	(25,000)	(65,303)
Proceeds from disposal of fixed assets	19	0	0	38,182
Repayment of members contributions	10	627,625	(23,578,264)	5,162,010
Transfers from reserves (restricted assets)	10			
ADD Estimated surplus/(deficit) July 1 b/fwd	21(b)	46,155,070	46,155,070	40,484,543
LESS Estimated surplus/(deficit) June 30 c/fwd	21(b)	47,345,854	22,141,778	46,155,070
<b>Total amount raised from general rate</b>	21(a)	<u>0</u>	<u>0</u>	<u>0</u>

This statement is to be read in conjunction with the accompanying notes.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

All amounts are disclosed in Australian Dollars.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**Critical accounting estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**The local government reporting entity**

All Funds through which the Regional Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 18 to these financial statements.

**(b) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**(c) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Trade and Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(e) Inventories**

***General***

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

***Land held for sale***

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

**(f) Fixed Assets**

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

***Mandatory requirement to revalue non-current assets***

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the Regional Council commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Regional Council revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fixed Assets (Continued)**

***Initial recognition and measurement between mandatory revaluation dates***

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Regional Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

***Depreciation***

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in the following way:

Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Computer equipment	4 years
Furniture and equipment	4 to 10 years
Printers, photocopiers and scanners	5 years
Floorcoverings	8 years
Phones and faxes	6 to 7 years
Plant and equipment	5 to 12 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

***Capitalisation threshold***

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.



**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fair Value of Assets and Liabilities**

When performing a revaluation, the Regional Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the Regional Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

***Fair value hierarchy***

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

***Valuation techniques***

The Regional Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Regional Council are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fair Value of Assets and Liabilities (Continued)**

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Regional Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

**(h) Impairment of Assets**

In accordance with Australian Accounting Standards the Regional Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

**(i) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Regional Council prior to the end of the financial year that are unpaid and arise when the Regional Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Employee Benefits**

**Short-term employee benefits**

Provision is made for the Regional Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Regional Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Regional Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Regional Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Regional Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**(k) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

**(l) Provisions**

Provisions are recognised when the Regional Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the

**(m) Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Regional Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 15.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

**(o) Superannuation**

The Regional Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Regional Council contributes are defined contribution plans.

**(p) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Regional Council's operational cycle. In the case of liabilities where the Regional Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Regional Council's intentions to release for sale.

**(q) Rounding Off Figures**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar.

**(r) Comparative Figures**

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Regional Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**(s) Budget Comparative Figures**

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(t) New Accounting Standards and Interpretations for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Regional Council.

Management's assessment of the new and amended pronouncements that are relevant to the Regional Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Regional Council, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2018	<p>This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The effect of this Standard will depend upon the nature of future transactions the Regional Council has with those third parties it has dealings with. It may or may not be significant.</p>
(iii) AASB 16 Leases	February 2016	1 January 2018	<p>Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.</p> <p>Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Regional Council, the impact is not expected to be significant.</p>

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(t) New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations  [AASB 1 & AASB 11]	August 2014	1 January 2016	<p>This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i>, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.</p> <p>Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Regional Council's financial statements.</p>
(v) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation  [AASB 116 & 138]	August 2014	1 January 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Regional Council currently uses the expected pattern of of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
(vi) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(t) New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(vii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101  [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures as they currently exist and any changes will relate to presentation.</p>
(viii) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities  [AASB 10, 124 & 1049]	March 2015	1 July 2016	<p>The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard is expected to have a significant disclosure impact on the financial report of the Regional Council as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.</p>

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(u) Adoption of New and Revised Accounting Standards**

During the current year, the Regional Council adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were as follows:

- (i) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality
- (ii) AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities

or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.



**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

<b>2. REVENUE AND EXPENSES</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Auditors remuneration</b>		
- Audit of the annual financial report	7,736	7,000
<b>Depreciation</b>		
Improvements to leasehold property	5,539	5,539
Furniture and equipment	1,915	1,618
Plant and equipment	9,805	9,093
	<u>17,259</u>	<u>16,250</u>
<b>Other revenue</b>		
Other	5,700	12,926
	<u>5,700</u>	<u>12,926</u>
	<u>5,700</u>	<u>12,926</u>
	<b>2016</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>		
- Other funds	1,435,795	958,606
	<u>1,435,795</u>	<u>958,606</u>
	<u>1,435,795</u>	<u>958,606</u>

**(b) Statement of Objective**

The Tamala Park Regional Council is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

**COMMUNITY VISION**

The Tamala Park Regional Council will endeavour to provide high quality services to the community through the various service orientated programs which it has established. Council operations as disclosed in these financial statements encompass the following service orientated activities/programs.

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect interest on investments

**Activities:**

Interest revenue.

**OTHER PROPERTY AND SERVICES**

**Objective:**

To monitor and control council's overheads operating accounts.

**Activities:**

Other unclassified Activities.

**(c) Conditions over Grants/Contributions**

During the reporting period Tamala Park Regional Council did not hold any grants/contributions over which there are conditions.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	Note	2016 \$	2015 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		<u>47,135,952</u>	<u>46,060,590</u>
		<u>47,135,952</u>	<u>46,060,590</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Sundry debtors		201,815	180,487
GST receivable		2,793	3,846
Accrued Interest		188,350	175,391
Settlement bonds		900	29,400
Settlement bonds - Lot 1 McAllister		10,650	0
		<u>404,508</u>	<u>389,124</u>
<b>5. INVENTORIES</b>			
<b>Non-current</b>			
Land held for resale - cost			
Cost of acquisition		<u>1,800,000</u>	<u>1,818,182</u>
		<u>1,800,000</u>	<u>1,818,182</u>
		<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>6 (a). PROPERTY, PLANT AND EQUIPMENT</b>			
Improvements to leasehold property at:			
- Management valuation 2013 - level 3		101,260	101,260
Less accumulated depreciation		<u>(16,617)</u>	<u>(11,078)</u>
		84,643	90,182
Furniture and equipment at:			
- Management valuation 2014 - level 3		800	800
- Additions after valuation - cost		8,285	6,968
Less accumulated depreciation		<u>(5,087)</u>	<u>(3,172)</u>
		3,998	4,596
Plant and equipment at:			
- Management valuation 2016 - level 3		42,727	0
- Additions after valuation - cost		0	65,303
Less accumulated depreciation		<u>0</u>	<u>(8,138)</u>
		42,727	57,165
		<u>131,368</u>	<u>151,943</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Movements in Carrying Amounts**

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Improvements to leasehold property	90,182	0	0	0	0	0	(5,539)	0	84,643
Furniture and equipment	4,596	1,317	0	0	0	0	(1,915)	0	3,998
Plant and equipment	57,165			(1,164)	(3,469)	0	(9,805)	0	42,727
<b>Total property, plant and equipment</b>	<b>151,943</b>	<b>1,317</b>	<b>0</b>	<b>(1,164)</b>	<b>(3,469)</b>	<b>0</b>	<b>(17,259)</b>	<b>0</b>	<b>131,368</b>

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**6. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Improvements to leasehold property</b>	Level 3	Management	Depreciated replacement Cost	June 2016	Level 3 inputs in the fair value hierarchy
<b>Furniture and equipment</b>	Level 3	Management	Observable open market value	June 2016	Level 3 inputs in the fair value hierarchy
<b>Plant and equipment</b>	Level 3	Management	Observable open market value	June 2016	Level 3 inputs in the fair value hierarchy

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>7. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	42,318	163,501
Accrued salaries and wages	10,851	7,080
ATO liabilities	13,716	14,965
FBT Liabilities	1,490	1,692
Accrued expenses	4,800	4,500
	<u>73,175</u>	<u>191,738</u>
	<u>73,175</u>	<u>191,738</u>

**8. LONG-TERM BORROWINGS**

During the reporting period the Regional Council did not have any long term borrowings at the reporting date.

**9. PROVISIONS**

	<b>Provision for Annual Leave</b>	<b>Provision for Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2015</b>			
Current provisions	102,906	0	102,906
Non-current provisions	0	30,931	30,931
	<u>102,906</u>	<u>30,931</u>	<u>133,837</u>
Additional provision	18,525	25,721	44,246
<b>Balance at 30 June 2016</b>	<u>121,431</u>	<u>56,652</u>	<u>178,083</u>
	<u>121,431</u>	<u>56,652</u>	<u>178,083</u>
<b>Comprises</b>			
Current	121,431	0	121,431
Non-current	0	56,652	56,652
	<u>121,431</u>	<u>56,652</u>	<u>178,083</u>
	<u>121,431</u>	<u>56,652</u>	<u>178,083</u>

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2016 \$	2016 Budget \$	2015 \$
<b>10. MEMBERS CONTRIBUTIONS</b>			
<b>(a) Town of Victoria Park</b>			
Opening balance	4,007,855	4,007,855	3,535,548
Land development expenses	(1,883,556)	(3,969,213)	(1,957,706)
Proceeds of sale of member land	3,211,696	3,533,578	5,006,422
Return of Contribution	(1,250,000)	(1,500,000)	(2,583,334)
Rates equivalent	(25,838)	(29,221)	(35,214)
TPRC Nett Result	<u>41,557</u>	<u>(35,652)</u>	<u>42,140</u>
	<u>4,101,714</u>	<u>2,007,348</u>	<u>4,007,855</u>
<b>(b) City of Perth</b>			
Opening balance	4,007,855	4,007,855	3,535,548
Land development expenses	(1,883,556)	(3,969,213)	(1,957,706)
Proceeds of sale of member land	3,211,696	3,533,578	5,006,422
Return of Contribution	(1,250,000)	(1,500,000)	(2,583,334)
Rates equivalent	(25,838)	(29,221)	(35,214)
TPRC Nett Result	<u>41,557</u>	<u>(35,652)</u>	<u>42,140</u>
	<u>4,101,714</u>	<u>2,007,348</u>	<u>4,007,855</u>
<b>(c) Town of Cambridge</b>			
Opening balance	4,007,855	4,007,855	3,535,548
Land development expenses	(1,883,556)	(3,969,213)	(1,957,706)
Proceeds of sale of member land	3,211,696	3,533,578	5,006,422
Return of Contribution	(1,250,000)	(1,500,000)	(2,583,334)
Rates equivalent	(25,838)	(29,221)	(35,214)
TPRC Nett Result	<u>41,557</u>	<u>(35,652)</u>	<u>42,140</u>
	<u>4,101,714</u>	<u>2,007,348</u>	<u>4,007,855</u>
<b>(d) City of Joondalup</b>			
Opening balance	8,015,711	8,015,711	7,071,097
Land development expenses	(3,767,112)	(7,938,425)	(3,915,418)
Proceeds of sale of member land	6,423,392	7,067,156	10,012,845
Return of Contribution	(2,500,000)	(3,000,000)	(5,166,666)
Rates equivalent	(51,677)	(58,442)	(70,426)
TPRC Nett Result	<u>83,114</u>	<u>(71,304)</u>	<u>84,279</u>
	<u>8,203,428</u>	<u>4,014,696</u>	<u>8,015,711</u>
<b>(e) City of Wanneroo</b>			
Opening balance	8,015,711	8,015,711	7,071,097
Land development expenses	(3,767,112)	(7,938,425)	(3,915,418)
Proceeds of sale of member land	6,423,392	7,067,156	10,012,845
Return of Contribution	(2,500,000)	(3,000,000)	(5,166,666)
Rates equivalent	(51,677)	(58,442)	(70,426)
TPRC Nett Result	<u>83,114</u>	<u>(71,304)</u>	<u>84,279</u>
	<u>8,203,428</u>	<u>4,014,696</u>	<u>8,015,711</u>
<b>(f) City of Vincent</b>			
Opening balance	4,007,855	4,007,855	3,535,548
Land development expenses	(1,883,556)	(3,969,213)	(1,957,706)
Proceeds of sale of member land	3,211,696	3,533,578	5,006,422
Return of Contribution	(1,250,000)	(1,500,000)	(2,583,334)
Rates equivalent	(25,838)	(29,221)	(35,214)
TPRC Nett Result	<u>41,557</u>	<u>(35,652)</u>	<u>42,140</u>
	<u>4,101,714</u>	<u>2,007,348</u>	<u>4,007,855</u>

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**10 MEMBERS CONTRIBUTIONS (continued)**

	2016 \$	2016 Budget \$	2015 \$
<b>(g) City of Stirling</b>			
Opening balance	16,031,421	16,031,421	14,142,194
Land development expenses	(7,534,221)	(15,876,850)	(7,830,834)
Proceeds of sale of member land	12,846,785	14,134,313	20,025,689
Return of Contribution	(5,000,000)	(6,000,000)	(10,333,332)
Rates equivalent	(103,353)	(116,883)	(140,854)
TPRC Nett Result	166,227	(142,608)	168,558
	<u>16,406,857</u>	<u>8,029,392</u>	<u>16,031,421</u>
<b>TOTAL MEMBERS CONTRIBUTIONS</b>	<u>49,220,570</u>	<u>24,088,175</u>	<u>48,094,264</u>
Total Opening balance	48,094,264	48,094,264	42,426,580
Land development expenses	(22,602,669)	(47,630,551)	(23,492,495)
Proceeds of sale of member land	38,540,353	42,402,937	60,077,067
Return of Contribution	(15,000,000)	(18,000,000)	(31,000,000)
Rates equivalent	(310,059)	(350,650)	(422,562)
TPRC Nett Result	498,681	(427,825)	505,674
<b>TOTAL EQUITY</b>	<u>49,220,570</u>	<u>24,088,175</u>	<u>48,094,264</u>

**11. REVALUATION SURPLUS**

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

	2016 \$	2015 \$
<b>(a) Improvements to leasehold property</b>		
Opening balance	6,353	6,353
Revaluation increment	<u>0</u>	<u>0</u>
	<u>6,353</u>	<u>6,353</u>
<b>(b) Plant and equipment</b>		
Opening balance	1,164	0
Revaluation increment	0	1,164
Revaluation decrement	<u>(1,164)</u>	<u>0</u>
	<u>0</u>	<u>1,164</u>
<b>TOTAL ASSET REVALUATION SURPLUS</b>	<u>6,353</u>	<u>7,517</u>



**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**12. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2016</b> <b>\$</b>	<b>2016</b> <b>Budget</b> <b>\$</b>	<b>2015</b> <b>\$</b>
Cash and cash equivalents	<u>47,135,952</u>	<u>22,194,684</u>	<u>46,060,590</u>
<b>(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	499,845	(427,825)	505,674
Non-cash flows in Net result:			
Depreciation	17,259	17,797	16,250
(Profit)/Loss on sale of asset	0	0	(956)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(15,384)	189,124	345,944
(Increase)/Decrease in inventories	18,182	0	0
Increase/(Decrease) in payables	(118,563)	(41,738)	(395,957)
Increase/(Decrease) in provisions	44,246	0	41,348
Net cash from operating activities	<u>449,054</u>	<u>(262,642)</u>	<u>512,303</u>

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

The Regional Council does not have any undrawn borrowing facilities at 30 June 2016.

**13. CONTINGENT LIABILITIES**

There were no known contingent liabilities at 30 June 2016.

**14. CAPITAL AND LEASING COMMITMENTS**

The Regional Council did not have any future operating lease commitments at the reporting date.

**(b) Capital Expenditure Commitments**

The Regional Council did not have any future capital expenditure commitments at the reporting date.

**15. JOINT VENTURE ARRANGEMENTS**

The Regional Council is not involved in any joint venture arrangements.

**16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
Governance	4,596	4,596
Other property and services	176,747	176,474
Unallocated	<u>49,290,485</u>	<u>48,238,769</u>
	<u>49,471,828</u>	<u>48,419,839</u>

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	2016	2015	2014
<b>17. FINANCIAL RATIOS</b>			
Current ratio	244.29	157.65	61.98
Asset sustainability ratio	0.08	4.02	0.51
Debt service cover ratio	0.00	0.00	0.00
Operating surplus ratio	0.35	0.35	(0.17)
Own source revenue coverage ratio	1.53	1.51	1.20

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 36 of this document.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**18. TRUST FUNDS**

The Regional Council holds no funds in trust for other entities.

**19. DISPOSALS OF ASSETS - 2015/16 FINANCIAL YEAR**

No assets were disposed of during the year.

**20. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures - 2015/16

The Regional Council did not have any borrowings during the reporting period.

(b) New Debentures - 2015/16

The Regional Council did not take up any new debentures during the reporting period.

(c) Unspent Debentures

The Regional Council did not have any unspent debentures as at 30 June 2016.

(d) Overdraft

The Regional Council does not have an overdraft facility.

**21. RATING INFORMATION - 2015/16 FINANCIAL YEAR**

(a) The Regional Council did not impose any rates on property during the reporting period.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**21. RATING INFORMATION - 2015/16 FINANCIAL YEAR (Continued)**

**(b) Composition of net current assets**

	<b>2016 (30 June 2016 Carried Forward) \$</b>	<b>2016 (1 July 2015 Brought Forward) \$</b>	<b>2015 (30 June 2015 Carried Forward) \$</b>
<b>Surplus/(Deficit) 1 July 15 brought forward</b>	<u>47,345,854</u>	<u>46,155,070</u>	<u>46,155,070</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	47,135,952	46,060,590	46,060,590
Receivables			
Sundry debtors	201,815	180,487	180,487
GST receivable	2,793	3,846	3,846
Accrued Interest	188,350	175,391	175,391
Settlement bonds	900	29,400	29,400
Settlement bonds - Lot 1 McAllister	10,650	0	0
<b>LESS:CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(42,318)	(163,501)	(163,501)
Accrued salaries and wages	(10,851)	(7,080)	(7,080)
ATO liabilities	(13,716)	(14,965)	(14,965)
FBT Liabilities	(1,490)	(1,692)	(1,692)
Accrued expenses	(4,800)	(4,500)	(4,500)
Provisions			
Provision for annual leave	(121,431)	(102,906)	(102,906)
<b>Unadjusted net current assets</b>	<u>47,345,854</u>	<u>46,155,070</u>	<u>46,155,070</u>
<b>Adjusted net current assets - surplus/(deficit)</b>	<u>47,345,854</u>	<u>46,155,070</u>	<u>46,155,070</u>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**22. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR**

The Regional Council did not impose any Specified Area Rates during the reporting period.

**23. SERVICE CHARGES - 2015/16 FINANCIAL YEAR**

The Regional Council did not impose any service charges during the reporting period.

**24. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2015/16 FINANCIAL YEAR**

The Regional Council did not offer any discounts, provide any concessions or allow any write offs during the reporting period.

**25. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR**

The Regional Council did not impose interest charges during the reporting period.

**26. FEES & CHARGES**

There were no fees and charges applied during the reporting period.

**27. GRANT REVENUE**

The Regional Council did not receive any Grant Revenue during the reporting period.

**28. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

	<b>2016</b>	<b>2015</b>
	<u>3</u>	<u>3</u>

**29. ELECTED MEMBERS REMUNERATION**

The following fees, expenses and allowances were paid to council members and/or the president.

	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Elected Members Remuneration	128,750	128,700	131,708
Alternate Elected Members Remuneration	512	2,000	420
Chairman's Allowance	19,570	19,570	15,338
Deputy Chairman's allowance	4,892	4,893	4,857
	<u>153,724</u>	<u>155,163</u>	<u>152,323</u>

**30. MAJOR LAND TRANSACTIONS**

The Regional Council did not participate in any major land transactions during the reporting period.

**31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Regional Council did not participate in any trading undertakings or major trading undertakings during the reporting period.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**32. FINANCIAL RISK MANAGEMENT**

The Regional Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk interest rate risk. The Regional Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Regional Council.

The Regional Council does not engage in transactions expressed in foreign currencies and is therefore not subject foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

*The Regional Council held the following financial instruments at balance date:*

	Carrying Value		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	47,135,952	46,060,590	47,135,952	46,060,590
Receivables	404,508	389,124	404,508	389,124
	<u>47,540,460</u>	<u>46,449,714</u>	<u>47,540,460</u>	<u>46,449,714</u>
<b>Financial liabilities</b>				
Payables	73,175	191,738	73,175	191,738
	<u>73,175</u>	<u>191,738</u>	<u>73,175</u>	<u>191,735</u>

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

**(a) Cash and Cash Equivalents**

The Regional Council's objective is to maximise its return on cash and investments whilst maintaining an level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Regional Council.

**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**32. FINANCIAL RISK MANAGEMENT (continued)**

The Regional Council manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	507,412	462,469
- Statement of Comprehensive Income	507,412	462,469

**Notes:**

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible market movements.

**(b) Receivables**

The Regional Council's major receivables comprise user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Regional Council manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Regional Council makes suitable provision for doubtful receivables as required and carries out credit most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Regional Council's credit risk at balance date was:

	<b>2016</b>	<b>2015</b>
Percentage of other receivables		
- Current	51%	53%
- Overdue	2%	2%



**TAMALA PARK REGIONAL COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2016**

**32. FINANCIAL RISK MANAGEMENT (continued)**  
**(c) Payables**

Payables are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Regional Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of the Regional Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b><u>2016</u></b>					
Payables	73,175	0	0	73,175	73,175
	<u>73,175</u>	<u>0</u>	<u>0</u>	<u>73,175</u>	<u>73,175</u>
<b><u>2015</u></b>					
Payables	191,738	0	0	191,738	191,738
	<u>191,738</u>	<u>0</u>	<u>0</u>	<u>191,738</u>	<u>191,738</u>

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAMALA PARK REGIONAL COUNCIL**

### **Report on the Financial Report**

We have audited the accompanying financial report of Tamala Park Regional Council which comprises the statement of financial position as at 30 June 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Chief Executive Officer.

### **Management's Responsibility for the Financial Report**

Management is responsible for the preparation of the financial report which gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Council's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

## **Auditor's Opinion**

In our opinion, the financial report of Tamala Park Regional Council is in accordance with the underlying records of management including:

- a) giving a true and fair view of the financial position of Tamala Park Regional Council as at 30 June 2016 and of its performance for the year ended on that date; and
- b) complies with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

## **Emphasis of Matter**

Without modifying our opinion, we draw attention to page 37 of the financial report "Supplementary Ratio Information", which describes certain ratio information relating to the financial report. Management's calculation of these ratios includes assumptions about future capital expenditure and hence falls outside our audit scope. We do not therefore express an opinion on these ratios.

However, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and appear reasonable.

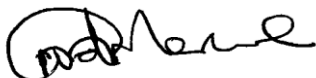
## **Reporting on Other Legal and Regulatory Requirements**

We did not, during the course of our audit, become aware of any instances where the Council did not comply with the statutory requirements of the Local Government Act (1995) (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

In accordance with the Local Government (audit) Regulations 1996, we also report that:

- a) There are no material matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Regional Council.
- b) The Regional Council substantially complied with Part 6 of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).
- c) All information and explanations required were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA  
Director

Perth

Date: 1 September 2016

**TAMALA PARK REGIONAL COUNCIL  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2016**

**RATIO INFORMATION**

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Asset consumption ratio	0.66	0.80	0.81
Asset renewal funding ratio	1.57	1.96	N/A

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

# Appendix 9.15



TAMALA PARK  
Regional Council

# DELEGATION REGISTER

December ~~October~~ 20165



## Explanatory Notes

### 1. General

The Local Government Act of 1995 provides that powers and duties generally vest with the 'local government' as a corporate entity.

The elected Council exercises the powers and discharges the duties of the local government through resolutions.

There are some specific powers or duties conferred by the Act upon the Chairman, and the Chief Executive Officer (CEO).

Delegations of authority to exercise the statutory powers of Council may be made to:

- Committees (as detailed in sections 5.16 and 5.17 of the Act), or
- The Chief Executive Officer (as detailed in sections 5.42 and 5.43).

The Act also allows the Chief Executive Officer to further delegate the authority to another employee. This cannot, however, be further sub-delegated.

### 2. Role of the Council

Section 2.7 of the Act sets out the role of the Council:-

2.7 (1) The Council -

- a) Directs and controls the local government's affairs; and
- b) Is responsible for the performance of the local government's functions.

(2) Without limiting subsection (1), the Council is to -

- a) Oversee the allocation of the local government's finances and resources; and
- b) Determine the local government's policies.

### 3. Role of the Chairman, Deputy Chairman and Councillors

Sections 2.8, 2.9 and 2.10 set out the roles of Chairman, Deputy Chairman and Councillors:



## **The role of the Chairman**

### 2.8 (1) the Chairman

- a) Presides at (Council) meetings in accordance with this Act;
- b) Provides leadership and guidance to the community in the district;
- c) Carries out civic and ceremonial duties on behalf of the local government;
- d) Speaks on behalf of the local government;
- e) Performs such other functions as are given to the Chairman by this Act or any other written law; and
- f) Liaises with the CEO on the local government's affairs and the performance of its functions.

(2) Section 2.10 applies to a councillor who is also the Chairman and extends to a Chairman who is not a councillor.

## **The role of the Deputy Chairman**

2.9 The Deputy Chairman performs the functions of the Chairman when authorised to do so under section 5.34 (i.e. where the office of Chairman is vacant, or when the Chairman is unwilling, unavailable or unable to perform his or her functions).

## **The role of Councillors**

### 2.10 A Councillor -

- a) Represents the interests of electors, ratepayers and residents of the district;
- b) Provides leadership and guidance to the community in the district;
- c) Facilitates communication between the community and the council;
- d) Participates in the local government's decision-making processes at council and committee meetings; and
- e) Performs such other functions as are given to a councillor by this Act or any other written law.

## **4. Function of the CEO**

### 5.41 The CEO's functions are to -

- a) Advise the Council in relation to the functions of a local government under this Act and other written laws;
- b) Ensure that advice and information is available to the council so that informed decisions can be made;

- c) Cause Council decisions to be implemented;
- d) Manage the day-to-day operations of the local government;
- e) Liaise with the Chairman on the local government's affairs and the performance of the local government's functions;
- f) Speak on behalf of the local government if the Chairman agrees;
- g) Be responsible for the employment, management supervision, direction and dismissal of other employees (subject to section 5.37 (2) in relation to senior employees);
- h) Ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law; and
- i) Perform any other function specified or delegated by the local government or imposed under this Act or any other written law as a function to be performed by the CEO.

## **5. Delegations of Some Powers and Duties to CEO**

Pursuant to Sections 5.42, 5.43, 5.44, 5.45, and 5.46 of the Local Government Act 1995, a Council may delegate authority to the Chief Executive Officer some of its functions. These sections are set out below:

### **Delegation of some powers and duties to CEO**

5.42. (1) A local government may delegate\* to the CEO the exercise of any of its powers or the discharge of any of its duties under this Act other than those referred to in section 5.43.

*\*Absolute majority required.*

(2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.

### **Limits on delegations to CEO's**

5.43. A local government cannot delegate to a CEO any of the following powers or duties -

- a) Any power or duty that requires a decision of an absolute majority or a 75% majority of the local government;
- b) Accepting a tender which exceeds an amount determined by the local government for the purpose of this paragraph;
- c) Appointing an auditor;
- d) Acquiring or disposing of any property valued at an amount exceeding an amount determined by the local government for the purpose of this paragraph;

- e) Any of the local government's powers under section 5.98, 5.99 or 5.100; (these relate to: fees, expenses and allowances for Councillors)
- f) Borrowing money on behalf of the local government:
- g) Hearing or determining an objection of a kind referred to in section 9.5;
- h) Any power or duty that requires the approval of the Minister or the Governor; or
- i) Such other powers or duties as may be prescribed.

**CEO may delegate powers and duties to other employees**

- 5.44. (1) A CEO may delegate to any employee of the local government the exercise of any of the CEO's powers or the discharge of any of the CEO's duties under this Act other than this power of delegation.
- (2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.
- (3) This section extends to a power or duty the exercise or discharge of which has been delegated by a local government to the CEO under section 5.42, but in the case of such a power or duty –
- a) The CEO's power under this section to delegate the exercise of that power or the discharge of that duty; and
  - b) The exercise of that power or the discharge of that duty by the CEO-s delegate,
- Are subject to any conditions imposed by the local government on its delegation to the CEO.
- (4) Subsection (3)(b) does not limit the CEO's power to impose conditions or further conditions on a delegation under this section.
- (5) In subsection (3) and (4):
- 'Conditions' includes qualifications, limitations or exceptions.'

**Other matters relevant to delegations under this Division**

- 5.45. (1) Without limiting the application of sections 58 and 59 of the Interpretation Act 1984-
- a) A delegation made under this Division has effect for the period of time specified in the delegation or where no period has been specified, indefinitely; and
  - b) Any decision to amend or revoke a delegation by a local government under this Division is to be by an absolute majority.
- (2) Nothing in this Division is to be read as preventing -

- a) A local government from performing any of its functions by acting through a person other than the CEO; or
- b) A CEO from performing any of his or her functions by acting through another person.

**Register of, and records relevant to, delegations to CEO's and employees**

5.46. (1) The CEO is to keep a register of the delegations made under this Division to the CEO and to employees.

(2) At least once every financial year, delegations made under this Division are to be reviewed by the delegator.

(3) A person to whom a power or duty is delegated under this Act is to keep records in accordance with regulations in relation to the exercise of the power or the discharge of the duty.”

With reference to section 5.46 (3), Regulation 19 from the Local Government (Admin.), Regulations 1996 states the following

‘Records to be kept by delegates –s.5.46(3)

19. Where a power or duty has been delegated under the Act to the CEO or to any other local government employee, the person to whom the power or duty has been delegated is to keep a written record of -

- a) How the person exercised the power or discharged the duty;
- b) When the person exercised the power or discharged the duty; and
- c) The persons or classes of persons, other than council or committee members or employees of the local government, directly affected by the exercise of the power or the discharge of the duty.’

The practical workings needs to be developed over time and for the time being the pragmatic approach that the CEO will need to employ is to take advice from a Committee where previously authority to make decisions was taken by a Committee of staff members.

Also, in respect of the supervision and audit activity, it will probably be the case, to ensure effectively distributed administration, that the CEO, at the time of making a delegation of a power also make a further delegation to the Divisional Supervisor to supervise the exercise and performance measures associated with the delegated power.

Section 9.38 of the Local Government Act:

*“Evidence that a document has been given or written by or on behalf of the local government may be given by tendering what purports to be the document and purports to be signed by the Chairman or president, the CEO, or any other person authorised to sign it, without proof of the signature or proof that the person signing was a person who could sign then document.”*

**6. Numerical Listing of Delegations**

NUMBER	DELEGATION	CONDITION	CEO DELEGATION
<b>CHIEF EXECUTIVE OFFICER</b>			
1	Press Statements and media comments: Authority to issue statements to the News Media and make comments on behalf of Council.	Subject to the prior approval of the Chairman.	
2	Press Statements on Policy: Authority to issue statements of Policy to the News Media on behalf of the Council.	Subject to the prior approval of the Chairman	
3	Contract Signing: Authority to sign formal contracts with the co-signature of the Chairman – upon affixation of the Common Seal to the contract documents.	Subject to budget provision or after authority for sealing by the Council.	
4	Emergency Service: Authority to engage and deploy contractors and equipment in an emergency.		
5	Leave: Authority to grant the following leave: 1. Leave without pay 2. Study Leave	Subject to policy provisions or if no policy with Chairman’s approval.	
6	1. Authority to appoint all staff with the exception of designated officers; 2. Authority to advertise vacancies	Subject budget provision.	
7	Authority to appoint consultants.	a) Subject to the value being less than \$150,000. b) Subject to there being a budget allocation <del>or subject to there being budget provision</del> and necessary to implement Annual Plan.	
8	Authority to place and/or approve purchase orders • With formally contracted suppliers in accordance with the Procurement Policy and Local Government Act. • Non-contracted and non-accredited suppliers in accordance with Purchasing Policy and Local Government Act.	Subject to budget provision or budget allowance policy.	Executive Assistant and Project Coordinator.

TPRC Delegation Register

9	Statutory Nominations: Chief Executive Officer and Chairman authorised to complete Ballot Paper.		
10	Authorising the submission of subdivision and development applications to the Western Australian Planning Commission on land owned by or under the care and control of the TPRC or where TPRC acts in pursuit of the objectives set out in the Establishment Agreement.		
11	Contracts – <ul style="list-style-type: none"> <li>• Authority to sign contracts for maintenance support of computer and telecommunication hardware and software and general office equipment;</li> <li>• Signify acceptance of contracts works as 'completed to TPRC satisfaction'.</li> </ul>		
12	Authority to make minor amendments to the Policy Manual due to changes in names or titles.		Executive Assistant
13	Authority to advertise Invitations to Tender.		
14	Authority to invite period supply tenders and tenders for the disposal of surplus Council property <del>(except land)</del> only.		
15	Procurement of goods and services & disposal of Council property and associated advertisements in accordance with the TPRC Procurement Policy and Local Government Act.		
16	Authority to sign grant applications, acquittals and audited statements related to grants.		Following Council CEO approval.
17	Authority to approve applications to place advertising signs from any organisation – temporary signage.	Subject to being consistent with TPRC objectives and policies.	
18	Attendance at Conference: Authority to approve where budget allocation has been made, subject to the conference being within Australia.	CEO to provide report to Council within 45 days of conference.	
19	Certifying documents (section 9.31 Local Government Act).		
20	Authority to write off unrepresented stale cheques to the value of \$20,000.		
21	Authority to approve an extension to a contract.	Subject to: a) The tender specifying the	

TPRC Delegation Register

		provisions of the option term; b) The contract providing for the extension; and c) The extension being on the same terms and conditions as the last year of the original term but does allow for price increases in line with the contract provisions (if any) for the price.	
<b>22</b>	Authority to make payments to elected members subject to Council policies, the Local Government Act 1995 and its Regulations.	Funds being available in the Council's annual budget and Council policies.	
<b>23</b>	Authority to make payments and transfers from the municipal fund or the trust fund, subject to Regulation 12(1) of the Local Government (Financial Management) Regulations 1996.	Subject to the requirements of Regulation 13 of the Local Government (Financial Management) Regulations 1996.	
<b>24</b>	Authority to invest money and establish investment internal control procedures, subject to Section 6.14 of the Local Government Act 1995 and Regulation 19 of the Local Government (Financial Management) Regulation 1996.	Subject to Council's 'Investment Policy'.	
<b>25</b>	Authority to publicly invite tenders before the Council enters into a contract for the supply of goods or services if the consideration under the contract is, or is expected to be, worth more than \$150,000, subject to Regulation 11(1) of the Local Government (Functions and General) Regulations 1996 and Section 3.57(1) of the Local Government Act 1995.	Tenders can only be invited for those goods and services identified in the annual budget, or approved by Council.	
<b>26</b>	Authority to accept or decline any tender, subject to Regulation 18(4) and (5) of the Local Government (Functions and General) Regulations 1996.	Delegation subject to a provision in the annual budget and limited to an amount of \$150,000.	
<b>27</b>	Authority, with the approval of the tenderer, to make a minor variation in a	That the variation is minor	

TPRC Delegation Register

	contract for goods or services before the Council enters the contract with the successful tenderer, subject to Regulation 20(1) of the Local Government (Functions and General) Regulations 1996.	having regard to the total goods or services that tenderers were invited to supply.	
<b>28</b>	Authority to approve sponsorship requests to a maximum of \$52000 in accordance with the TPRC Sponsorship Policy.		
<b>29</b>	Authority to allocate decommissioned computers to community groups and organisations, subject to Section 3.58 of the Local Government Act 1995.	Subject to conditions contained in Council policies.	
<b>30</b>	Authority to attend interstate meetings associated with Council business.	Subject to being required for Council business and consistent with TPRC objectives.	
<b>31</b>	Authority to approve and submit construction, civil, development, landscaping and servicing plans for the Tamala Project.	Subject to being required for Council business and consistent with TPRC objectives and, as appropriate, approved TPRC policies and strategies.	
<b>32</b>	Authority to approve and negotiate conditions of approval and servicing and infrastructure agreements relating to subdivision, development, landscaping applications and servicing plans for the Tamala Project and requirements and scheme costs under the City of Wanneroo Town Planning Scheme.	Subject to Budget provision and consistent with TPRC objectives and, as appropriate, approved TPRC policies and strategies.	
<b>33</b>	Authority to approve signage, marketing and advertising brochures and sales information.	Subject to being consistent with the approved Annual Marketing Plan and budget provision.	
<b>34</b>	Authority to approve minor changes to the Local Structure Plan.	Subject to being required for Council business and consistent with TPRC objectives and, as	



TPRC Delegation Register

		appropriate, approved TPRC policies and strategies.	
<b>35</b>	Authority to make a minor variation in a contract for goods or services, subject to Regulation 21.A of the Local Government (Functions and General) Regulations 1996.	Subject to being required for Council business and consistent with TPRC objectives. Subject to there being a budget allocation.	
<b>36</b>	Authority to enter into a contract for the supply of goods or services if the consideration under the contract is, or is expected to be worth less than \$150,000, subject to Regulation 11(1) of the Local Government (Functions and General) Regulations 1996 and Section 3.57(1) of the Local Government Act 1995.	Subject to there being a budget allocation and TPRC policies.	
<b>37</b>	Authority to advertise, manage and dispose of the single residential lots by private treaty under Section 3.58(3) of the Local Government Act 1995.  For the purpose of Delegation 38, the disposal is to be considered by Council if the property value exceeds one million (\$1,000,000) dollars.		
<b>38</b>	Authority to consider submissions under Section 3.58(3)(b) of the Local Government Act 1995.		
<b>39</b>	Authority to determine the sale price for each of the single residential lots subject to the average of lot pricing for a stage being higher the approved Project Cashflow. Where there is a difference between the average of lot pricing supplied by the Development Manager and the independent valuer then the higher of the lot pricing will be determined as the sale price.  In the event that the determined average of lot pricing is less than the lot pricing for a stage in the Project Cashflow the CEO shall refer the matter back to Council before exercising this delegation.		
<b>40</b>	Authority to administer the provisions of the sales contract and proceed to dispose of the lot by private treaty subject to the requirements of Section 3.58 of the Local Government Act 1995.		

TPRC Delegation Register

41	Authority to determine finance and settlement extensions and contract cancellations for single residential lots and dwellings.		
42	Authority to grant approval to proceed with the Display Village Lots Tender and Allocation Procedure in accordance with the Display Village Lot ranking as recommended by the Development Manager.		
43	Authority to establish the time/date for the sales releases.	Subject to all necessary documentation being completed and consistent with Project Program.	
44	Authority to grant approval to bulk earthworks, civil, infrastructure and landscape works.	Subject to rates being in accordance with Council approved rates for the relevant works and there being a budget allocation.	
45	<del>Authority to implement and manage the Lot 1 Built Form Project in accordance with the Development Agreement dated 10<sup>th</sup> September 2013 and the approved Project Budget and Program</del>	<del>Subject to compliance with the terms and conditions of the Development Agreement dated 10<sup>th</sup> September 2013 and compliance with the approved TPRC Budget and Project Program.</del>	

# Appendix 9.17

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# Appendix 9.18

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